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TWENTIETH CENTURY SOCIALISM

WHAT IT IS NOT; WHAT IT IS; HOW IT MAY COME

BY

EDMOND KELLY, M.A., F.G.S.
Late Lecturer on Municipal Government at Columbia University, in the City of New York
Author of "Government or Human Evolution," "Evolution and Effort," etc., etc.

LONGMANS, GREEN, AND CO.
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INTRODUCTION

I

No one whose intellectual parts are in working order believes that the industrial world will go back to an unorganized individualistic production and distribution of wealth. No one whose moral sense is awake desires to see the chief means of production owned and controlled by a small number of monstrously wealthy men, however great their ability or good their intentions. Nevertheless, most persons of moral sense and normal mentality are disturbed when one suggests in so many words that if industry cannot henceforth be individualistic and should not be owned and controlled by the Big Few, it will, apparently, have to be owned and controlled by the Many. This paradoxical psychology possibly indicates that we queer human beings do our real thinking and perform our occasional feats of moral self-examination in lucid intervals, alternating with states of mind—and conscience—which were better not described in non-technical language.

Edmond Kelly was a man whose lucidity was not interrupted. It was a necessity of his nature to think clearly and coherently. Not less necessary was it for him to think comprehensively, for his sympathy was

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boundless. Every phase of life interested him. He found nothing but meanness contemptible; and nothing but injustice moved him to hate. To such a mind the partial view is intolerable. A fact must be seen from every side and its relations to other facts must be traced out. From his earliest manhood Mr. Kelly looked upon the struggle for existence as both evolution and effort. Accepting the Darwinian explanation of life, he yet could not admit that man is powerless to control his fate. Physical evolution shades into physiological, and physiological evolution into psychological. Effort, foresight, and directed effort are products of evolution, but having been produced, they become forces in further evolution. In the higher evolution of man, they have become principal forces. From the moment that Mr. Kelly grasped this thought his mind was busy with it through all the years of his exceedingly active life, mastering its implications, examining it in its social or collective, no less than in its individual aspect, and forecasting the chief lines of constructive effort by an enlightened mankind industrially and politically organized for the most effective coöperation.

Yet it was not until a few years before his death that Mr. Kelly became a declared Socialist. The slow advance to his ultimate conclusions was characteristic. Though his mind moved swiftly, his intellectual integrity compelled him to examine every position as he went on. Because of these qualities his books form a series, consecutive in premisses and argument; a logical sequence corresponding to their chronological order. Thus, in his early work, "Evolution and Effort," Mr. Kelly was content to do thoroughly one particular thing, namely, to demonstrate that the Spencerian philosophy of evolution could be accepted without committing mankind to

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the practical programme of *laissez faire*, upon which Mr. Spencer himself so strongly insisted. This work Mr. Kelly did so well that there is no need for anyone to do it over, and it provided a firm foundation for his further constructive efforts. *The Popular Science Monthly*, which was then, under the editorship of Professor Edward L. Youmans, unreservedly committed to Spencerian views, acknowledged that it was the most telling attack upon what Professor Huxley had called "administrative nihilism" that had been made in any quarter. The main ideas of "Evolution and Effort" were elaborated and clinched in the two large volumes on "Government or Human Evolution," and were concretely applied to pressing practical questions in the unsigned book, "A Programme for Workingmen."

Each of the two volumes on "Government" was devoted, as "Evolution and Effort" had been, to establishing firmly a specific proposition. When Mr. Kelly began writing the first volume, which bore the sub-title "Justice," he was a lecturer in the Faculty of Political Science at Columbia University and was intensely interested in the movement for the reform of municipal politics in New York city. Believing that adequate organization was the chief need, he had founded the City Club and the subsidiary Good Government Clubs. In the discussions which this movement called forth, he says: "One fact stood out with startling conspicuousness. Not one out of a thousand was able to formulate a clear idea as to the principles upon which he stood; upon one measure he was an Individualist; upon another, a Collectivist; one day he was for strong governmental action; the next for liberty of contract; and of those who presented the claims of expediency and justice respectively, no one was able to say what justice was."

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It seemed, therefore, to Mr. Kelly that on the theoretical side we needed first, and above all else, a clear conception of justice as an end to be attained. For conclusions already arrived at in "Evolution and Effort" made it impossible for him to believe that justice is satisfied by merely "rewarding every man according to his performance." Seeing in evolution possibilities beyond present attainment, he believed that a way should be found to enable every man to achieve his potential performance. Thus his notion of justice, derived from the principle of evolution, became substantially identical with that which had been set forth two thousand years ago by Plato in *The Republic*. To quote Mr. Kelly's own words: "Justice may, then, be described as the effort to eliminate from our social conditions the effects of the inequalities of Nature upon the happiness and advancement of man, and particularly to create an artificial environment which shall serve the individual as well as the race, and tend to perpetuate noble types rather than those which are base."

It was inevitable that with such a conception of justice in mind, a thinker scientifically so remorseless as Mr. Kelly was, should find individualistic prejudices shaken before he completed his task. "Beginning with a strong bias against Socialism of every kind," he was forced before he reached the end of his first volume to "a reluctant recognition that by collective action only could the uncorrupted many be rescued from the corrupt few, and could successful effort be made to diminish the misery of poverty and crime."

Having arrived at this conclusion, Mr. Kelly was able to make his second volume on the respective claims of Individualism and Collectivism an exposition which, for clearness of insight, acuteness of philosophical

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observation, wealth of historical knowledge, and sanity of judgment, has few equals in the modern literature of social problems. He demonstrated the inevitable failure of individualism as an adequate working programme for a complex civilization. He showed that collectivism must be accepted, whether we like it or not, if we desire justice; and, more than this, he showed, not speculatively, but from concrete and experimental data, that a civilized mankind may be expected to like a reasonable collectivism when it begins to understand and to adopt it, far better than it has liked individualism, and for the adequate reason that collectivism will diminish misery and increase happiness.

Not even upon the completion of this remarkable volume, however, was Mr. Kelly quite ready to take the final step of identifying himself with the Socialist party. So strong was that nature within him which, without theological implications, we may call the spiritual or religious, that he would have been glad if he could have seen the possibility of attaining the ends which Socialism contemplates through a movement essentially subjective, that is to say, through developments of the intellectual and moral nature of man which would impel all human beings, irrespective of class distinctions, to work together spontaneously and unselfishly, for the creation of a wholesome environment and essential justice in social relations. It was this feeling that led him to write the anonymously published, "Practical Programme for Workingmen," in which essentially socialistic measures are advocated, but with strong emphasis upon the vital importance of character and sympathy.

When a strong-minded man of strict intellectual honesty has thus advanced, step by step, from one position to another, at every stage of his progress survey-

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ing the whole field of human struggle; observing it dispassionately, as a scientific evolutionist; observing it sympathetically, "as one who loves his fellowmen," comes at last to the socialistic conclusion, and devotes the last weeks of his life to the preparation of a new statement of socialistic doctrine, the fact is more significant, as an indication of the way mankind is going, than are all the cries of "lo here, lo there" that arise from the din of party discussion. In Mr. Kelly's case the significance was deepened by all the circumstances of taste and association. Intensely democratic in his relations to men, Mr. Kelly was in breeding, in culture, in delicacy of feeling an aristocrat of the purest type. Educated at Columbia and at Cambridge, his university acquaintance and his political and professional activities in New York and in Paris had kept him continually in touch with what the socialist calls "the capitalist class." In joining the Socialist party he jeopardized friendships and associations that meant more to him than anything else save the approval of his own conscience.

The book now given to the public, written when he knew that his days were numbered, is, all in all, the most remarkable of his works. All writers of experience know that it is far easier to write a first statement of a newly discovered truth, than to restate the chief principles of a system already partly formulated; a system more or less vague where it is most vital, more or less unscientific and impossible where it is most specific. No one knew better than Mr. Kelly did that while the larger-minded leaders of the Socialist movement would generously welcome any thought which he had to give, there would be some of the rank and file who would feel that, in differing from the accredited writers, he was revealing himself as a convert not yet quite informed

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on all tenets of the creed—perhaps not even quite sound in the faith. A less enthusiastic nature, or one less resolutely determined to complete his life work as best he could, would have shrunk from such an undertaking as this book was. That under the circumstances he could put into it the vigor of thought and of style, the incisive criticism, the wealth of fact and illustration; above all, the freshness of view, the practical good sense and the strong constructive treatment which we find in these pages, is indeed remarkable.

How clearly he saw what sort of a book was needed, is best indicated in his own account of what he desired to do. It should be first of all, he thought, comprehensive. Socialism has been presented from the economic standpoint, from the scientific, from the ethical and from the idealistic. As Mr. Kelly saw it, Socialism is not merely an economic system, nor merely an idealistic vision. It is a consequence and product of evolution. "Science has made it constructive," he says, "and the trusts have made it practical." It is ethical because "the competitive system must ultimately break upon the solidarity of mankind," because the survival of the fit is not the whole result of evolution. The result still to be attained is "the improvement of all." And Socialism is idealistic because it not only contemplates, but gives reasonable promise of "a community from which exploitation, unemployment, poverty and prostitution shall be eliminated."

But besides making an exposition of Socialism as a whole and in all its parts, Mr. Kelly aimed to make a book "for non-socialists." With this purpose in view he has kept closely to concrete statement and above all has tried to avoid vagueness and loose generalization. He has described possibilities in terms that all know and

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understand. With the precision of the trained legal mind, he seizes the essential point when he says: "It is not enough to be told that there are a thousand ways through which Socialism can be attained. We want to see clearly one way." With the last strength that he had to spend Mr. Kelly showed one way; and no bewildered wayfarer through our baffling civilization, however he may hesitate to set his feet upon it, will venture to say that it is not clear.

FRANKLIN H. GIDDINGS.

NEW YORK, April 19, 1910.

II

AN immense revolution, a wonderful revolution, is opening in the mind of the human race; a new driving force is taking hold of the souls of men—the devotion to the welfare of the whole; a new sense, with all the intensity of a new-born feeling, is emerging in the consciousness of men—the sense that one cannot himself be healthy or happy unless the race is happy and healthy. A hundred theories appearing here and there, a thousand organizations springing up, a million acts of individuals everywhere, attest each day the presence and the growing power of this vast solidarizing movement.

Among these manifestations throughout the world, the most pronounced and the most clearly defined is that compact, fiercely vital organization known as the international Socialist party. Yet the Socialist party is not the movement, any more than the cresting billow is the torrent. It is an imperatively necessary element;

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but the movement itself is vastly broader and deeper than any manifestation of it.

An uncounted multitude in all lands are gradually becoming conscious of this sweeping tendency and of their own part in it—a multitude as yet not bearing any specific title. Out of these a considerable number are fully conscious of the movement, and are willing partakers. These we might call solidarists, in token of their conviction that the goal ought to be and will be an economic solidarity. But of even these it is only a part who are distinctively to be called Socialists, only those who have perceived two certain mighty facts: first, that men's mass-relations in the process of making a living are fundamental to their other relations, to their opinions and motives, and to all revolutions; and, second, that the chief agency in bringing about changes in the great affairs of the human race has always been and continues to be the pressure and clash between enduring masses of men animated by opposite economic interests. The Socialist is one who sees these social and historic facts and whose action is guided by such sight; the non-Socialist solidarist is one who, though animated by the socializing impulses, has not yet perceived these two most weighty facts.

Now Edmond Kelly, as was natural from his antecedents, was for nearly the whole of his life a non-Socialist solidarist. But, about two years before his death, being at the height of his powers of insight and intellect, he attained the clear vision of the "class-struggle," and no longer had any doubts where he himself belonged in the army of humanity—he became and remained a comrade—a loyal comrade.

There is a certain bit of doggerel, said to derive from Oxford, which tells us that:

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"Every little boy or gal,
Who comes into this world alive,
Is born a little Radical,
Or else a small Conservative."

And this all-pervading division penetrates even that most radical of bodies, the Socialist party. That party has its own conservative and radical wings—its right and its left—and Edmond Kelly is distinctly of the right.

One who is inclined by instinct to the one wing, and by logic to the other, can realize the indispensableness of both—the special contribution which each makes, and which the other cannot make, to the common cause. The motive of this note is to appeal to the comrades of the left not to shut their eyes to the value of this book, not to forego its special usefulness. For the very attitude of its author, which may be distaseful to them—his making appeals which they no longer make, his using forms of speech which they reject, his making so little use of that which is their main appeal, fit him especially to influence the minds of that numerous fringe of educated persons who must evidently be first made "rightists" before they can become "centrists" or "leftists." It may even be imagined that the difficult type of working man, he who thinks himself too noble-minded to respond to class appeal, might begin to rouse himself if he could once be brought under the charm of this book.

Aware that he had not long to live, Mr. Kelly hastened to finish the first draft of the book, and indeed he survived that completion only two weeks. He knew that considerable editorial work was needed, and this he entrusted to Mrs. Florence Kelley, author of "Some Ethical Gains through Legislation" and translator of Marx' "Discourse on Free Trade," and of Friedrich Engels'

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work on the "Condition of the Working Class in England." She undertook and has fulfilled this trust, and has been aided throughout by the untiring labors of Shaun Kelly, the author's son. Thus this book of Mr. Kelly's is doubly a memorial of love—of his for man, and of ours for him.

RUFUS W. WEEKS.

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TWENTIETH CENTURY SOCIALISM

INTRODUCTORY

My reason for writing this book is that I do not know of any one book that gives in small compass to the uninformed a comprehensive view of Socialism. It would be fatal to suggest to one not quite certain whether he wants to know about Socialism or not, that he should read the great economic foundation work of Karl Marx.[1] The excellent book of Emil Vandervelde,[2] which seems to me to contain one of the most compendious accounts of economic Socialism, is written from the Belgian and European point of view rather than from the American; it does not attempt to give either the scientific[3] or the ethical argument for Socialism, nor does it contain spe-

[1] "Capital," by Karl Marx.

[2] "Collectivism and Industrial Revolution," Emil Vandervelde.

[3] Engels and others have described Marxian or Economic Socialism as scientific, on the ground that Marx was the first to reduce Socialism to a science. But the word science has become so inseparably connected in our minds with chemistry, physics, biology, zoology, and geology, etc., that it seems wiser to define Marxian Socialism as economic and to keep the word scientific for that view of Socialism which is built on the sciences proper and principally on biology.

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cific answers to the objections which are most imminent in American minds to-day. The recent book by Morris Hillquit,[1] deservedly recognized as one of the leaders of the party in America, an authoritative, clear and admirable statement of what the Socialist party stands for, seems to be addressed to the Socialist rather than to the non-Socialist. Innumerable books and pamphlets by Bernard Shaw, Sidney Webb, John Spargo, William Morris and others throw light on this enormous subject. But for years past when asked by the average American what one book would give him a complete account of Socialism, I have been at a loss what to recommend. The book that first opened my eyes to the possibilities of Socialism was "Fabian Tracts"; but I doubt whether this would appeal to many American readers. An economic mind must be given the economic argument; a scientific mind the scientific argument; an idealistic mind, the ideal; an ethical mind, the ethical; but the average mind must be given all four; for it is in the convincing concurrence of all four that the argument for Socialism is unanswerable.

Another reason for writing this book is the desire to put Socialism firmly on the solid foundation of fact. It is the progress of science and the economic development of the last few years that have made Socialism constructive and practical. Science has made it constructive and the trusts have made it practical. It no longer rests on the imagination of poets nor on the discontent of the unemployed. On the contrary, Science with its demonstration that man is no longer the mere result of his environment, but can become its master, teaches us that by constructing our environment with intelligence we can determine the direction of our own

[1] "Socialism in Theory and Practice." Macmillan, 1909.

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development. The trusts, with their demonstration of the waste and folly of competition, teach us that what a few promoters have done for their own benefit the whole community can do for the benefit of all.

Again, history has revealed a fact upon which the competitive system must ultimately break; it may break under the hammer of the new builder or through the upheaval of a mob; but that it must eventually break is as certain as that day follows night. This fact is the solidarity of mankind. Whether it was wise of the Few to share the government with the Many it is too late now to inquire. The thing has been done—*alea jacta.* And that the Few should imagine that, after having put a club in the hands of the Many with which they can, when they choose, at any election smash to pieces the machinery—political and industrial—that oppresses them; and having established a system of education—nay, of compulsory education—through which the Many *must* learn during their childhood, how upon attaining majority, they can use this club most effectually, the Many will refrain from using it—is one of those delicious inconsequences of the governing class which throws a ray of humor over an otherwise tragic scene.

I do not believe it was in the power of the Few to perpetuate their reign; I think there are evidences of a Power working through Evolution to which even Herbert Spencer has paid the tribute of a capital P, which ordained from the beginning that Man should progress not as his forbears did, through the survival only of the fit, but as Man has unconsciously for centuries been doing, through the improvement of all. I think this is the Power that some worship under the name of Jah and others under the name of God. But this view will not be insisted upon, for it is not necessary to insist

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upon it. The fact of human solidarity will, I think, be demonstrated,[1] and it will, I hope, at the same time be shown that Socialism is no longer a theory born of discontent, but a system developed by fact, and as inevitably so developed as the tiger from the jungle of India, or cattle from the civilization of man.

Again, I do not think it is sufficient to demonstrate that Socialism is sound in theory. We have also to show that it is attainable in fact.

The practical American will not be satisfied with being told that there are a thousand different ways through which Socialism can be attained. He does not want to be told how many ways there are to Socialism, but wants to be shown one way along which his imagination can safely travel.

What the "bourgeois" wants to know is just how Socialism is going to work. He cannot conceive of industry without capitalism, any more than he can conceive of the world without the sun. Some concrete picture must be presented to his mind that will enable him to understand that while capital is not only good, but essential, the capitalist is not only bad, but superfluous. Nothing less than a picture of industry actually in operation without capitalism will suffice; and this, therefore, I have attempted to draw. No pretence is made that the picture is the only possible Socialist state, or that it will ever be realized in the exact shape in which it is drawn. The only claim to be made for it is that it furnishes a fair account of an industrial community from which exploitation, unemployment, poverty and prostitution are eliminated; that such an industrial community is more practical because far more economical than our own; and that it is the goal towards which, if we survive

[1] Book III, Chapter VI.

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the dangers attending the present conflict between capital and labor, industrial and ethical evolution are inevitably driving us.

Again, there is probably no feature connected with Socialism that it is more important to demonstrate and define than its economy. It occurred to me that we possessed in our official reports, and particularly in the 13th Annual Report of the Bureau of Labor, figures which would enable us to arrive at a considerable part of this economy with some mathematical certainty. I pointed out my plan to Mr. J. Lebovitz, of the Library of Congress, Washington, D. C., who has a better talent for statistics than myself, and I cannot but congratulate myself and my readers upon the results to which, thanks to his help, we have jointly come.

It must be admitted that the figures in our possession do not enable us to estimate the whole economy of Socialism; but they do enable us to give a tentative estimate of how many hours a workingman would have to work to produce the things which the average workingman consumes if no account be taken of profit, rent, interest, and the cost of distribution. Of course, though profit, interest and rent would be eliminated in a coöperative commonwealth, we should still be subject to the cost of distribution and, therefore, the figures we arrive at are incomplete in the sense that we have to take into account the fact that they do not include this cost. But there would be economies exercised in a coöperative commonwealth, such as the economy of insurance, of advertising, of unnecessary sickness, of strikes and lockouts, of the cost of pauperism, crime and in some measure that of dependents, defectives and delinquents, etc., which would probably pay the cost of distribution. I feel, therefore, that although our figures are not absolute,

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they do furnish a starting-point more satisfactory than has heretofore been obtained.

The most impelling reason for writing this book is the persistently false and misleading statements made regarding Socialism by the very persons whose business it is to be informed on the subject. For years now the men we elect to office as best fitted to govern us—Presidents and Presidential candidates, Roosevelt, Taft and Bryan, have in spite of repeated protests and explanations been guilty of this offence. Mr. Roosevelt stands too high in the esteem of a large part of our voting public, and I myself entertain too high an opinion of his ability, for such charges as those he has made against Socialism to go unanswered. And in answering them I shall take as my justification the platform of the Socialist party,[1] which must be carefully read by all who want to understand what Socialism really is in the United States of America. It is of course impossible in a platform to give the whole philosophy of Socialism, but the platform does state with sufficient precision what Socialists stand for to make it impossible for anyone who has read it to remain any longer under the false impression created by ignorance or deliberate misrepresentation.

I take Mr. Roosevelt's articles in the *Outlook* as the special object of my explanations, not only because they express very widespread fallacies regarding Socialism, but because they emanate from one who for popularity and reputation casts every other American in the shade; and also because, for this reason, his utterances not only command the attention of the foolish—this he easily gets—but should also, in view of his position, arrest that of those who tend by his exaggerations to be estranged from him.

[1] See Appendix.

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So I have felt it an urgent duty to explain not only what Socialism is, as Hillquit, Vandervelde, Thompson,[1] and many others have so ably done, but specifically to point out what it is not: That it is not Anarchism, but order; not Communism, but justice; that it does not propose to abolish competition, but to regulate it; nor to abolish property, but to consecrate it; nor to abolish the home, but to make the home possible; nor to curtail liberty, but to enlarge it.

Now if this last is to be done, it is indispensable to have clear notions as to what liberty is; no intelligent understanding of liberty is possible unless there is an equally intelligent understanding of property, which is more closely connected with liberty than is generally recognized. The necessary relation between property and liberty has escaped some of our ablest lawyers. Just after James C. Carter had finished his argument in Paris on the Seal Fishery case and was preparing a supplementary brief that he had been given permission to file, he told me that he felt it necessary to study up the fundamental question of what property was and had been advised to read Proudhon! I did not know much about Socialism at that time, but did know enough to explain to him that Proudhon was an anarchistic communist; and asked him if he thought the court was disposed to listen to this kind of argument. Mr. Carter was shocked in the extreme, and lowering his voice, asked, a little shamefacedly, what Anarchism and Communism were, and were they the same as Socialism. This led to a discussion of property, of the views held regarding it by Socialists, Communists and Anarchists respectively; and to the strange conclusion that the brief which Mr. Carter was preparing in order to maintain the liberty

[1] "The Constructive Program of Socialism," Carl D. Thompson.

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of the United States to protect seals as the property of humanity at large was Socialism Simon pure! To his dismay he found himself on the verge of preaching the very doctrine which of all doctrines he most abhorred!

I do not know any standard work on Socialism that enters carefully into the nature of these things. I attempted it in "Government or Human Evolution," to which I shall have occasion sometimes to refer. But this book was addressed to students of Political Science and is not short or compendious enough for the general public.

In a word, I have written this book to supply what I believe to be a crying need—for a compact, simple statement of what Socialism is not, of what Socialism is, how Socialism may come about, and particularly distinguishing modern Socialism from the crude ideas that prevailed before Marx, Darwin and the development of trusts.

The public imagines to-day that Socialism is Utopian. This is singularly erroneous. Socialism is the only intelligent, practical system for providing humanity with the necessaries and comforts of life with the least waste, the least effort and the least injustice.

The competitive system under which these things are now produced and distributed has been condemned by the business men whose opinions the business world most respects, because it involves infinite labor to a vast majority of the race and useless cost to all, without, I venture to add, assuring happiness to any.

Socialism, on the other hand, presents a simple, obvious and unanswerable solution of the manifold problems presented by the competitive system. This solution ought to appeal to business men because it undertakes to do for the benefit of the nation what our greatest

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business men have been engaged for some years in doing for the benefit of themselves.

It is not likely that the American public, once it understands the situation, will refuse to adopt the only practical method of ridding itself of a wasteful system and a corrupt government just because the few who profit by it for very obvious reasons do not want them to. All the public needs is a clear understanding of what Socialism really is; how it is certain to come eventually; and how it is best that it should come.

Many Socialists make the mistake of asking us to look too far ahead. We are not all equally far-sighted. Some are very near-sighted. In fact the habit of looking closely at our ledgers and at our looms tends to make us near-sighted. Socialists too may be wrong in their forecast centuries ahead. This book therefore makes a distinction between those things that can be demonstrated and those which, on the contrary, are still matter for mere speculation.

It can be demonstrated that a *partial* substitution of coöperation for competition in definite doses will put an end to pauperism, prostitution and in great part to crime. Whether a *wholesale* substitution of coöperation for competition will still further promote human development and happiness is a matter of speculation—as to which men can legitimately differ.

The contention made in this book is that a substitution of coöperation for competition in the dose herein prescribed *must* put an end to the three gigantic evils above mentioned, and incidentally confer upon us a larger and truer measure of liberty and happiness than the world has ever yet known.

One word about the language of this book. As it is addressed to persons not familiar with the Socialist

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vocabulary, I am going to abstain to the utmost possible from using this vocabulary. I am not going to use the words "surplus value" when the more familiar word "profit" can be used with practically the same advantage. I am going to avoid the expression "materialist interpretation of history" when the words "economic interpretation of history" are equally correct and less likely to mislead. And I am above all going to avoid, wherever I can, the use of the words "individualism" and "individualists," because these words have been already used by capitalists to beg the whole question. Capitalists have quietly appropriated this word to themselves and Socialists have been foolish enough to permit them to do it. Capitalism does indeed promote a certain kind of individualism; but we shall have to discuss later just what is the nature of the individualism promoted by existing conditions and compare it with the individualism that will be promoted by Socialism. I think it will become clear that it is the peculiar province of Socialism to rescue the vast majority of men from conditions which make the development of the individual impossible, and to put opportunities of individual development at the disposal of all; that, indeed, the highest type of individualism can be realized only in a coöperative commonwealth that will give to every man not only opportunity for developing his individual talents, but leisure for doing so—the very leisure of which the vast majority are deprived under the present system and of which the few who have it profit little.

It is not easy to find words to substitute for individualist and individualism. The word that best describes the individualist is "egotist." But the use of the word "egotist," for the very reason that it is the truest word for describing the individualist, would arouse such pro-

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test in the minds of those so designated as perhaps to prevent this book from being read by the very persons to whom it is chiefly addressed.

The word "capitalist" cannot be used for this purpose either, because by no means all who have capitalistic ideas are capitalists, and some capitalists are free from capitalistic ideas.

So instead of the words "individualist," "egotist" and "capitalist," I am going to use the French word "bourgeois." It seems to convey what it is intended to convey with least error and most consideration for capitalistic susceptibilities. It is true that "bourgeois" is a French word and should be avoided in consequence, but it has been now so acclimated to our language that many editors print it without quotation marks. The word "bourgeois" roughly includes all those who have property or employ labor, or who can be psychologically classed with these. It includes the small shop-keeper who keeps a clerk, or perhaps only a servant, and the millionaire who keeps thousands of men at work in his factories, mines, railroads or other industries. It includes the large farmer who employs help, but not the small farmer who employs no help; it includes the lawyer, the broker and the agent who depend upon the capitalist but are lifted above the hunger line.

Instead of the word "individualism," I shall use another French expression which has also become acclimated—that is to say, *laissez faire;* for *laissez faire* are words adopted by the bourgeois to describe the system for which he generally stands. This expression is peculiarly appropriate to-day, when we hear our business men clamoring to be "let alone." Indeed were it not for the awkwardness of the expression "let-alone-

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ism," this literal translation of *laissez faire* would just suit my purpose.

It is true that the *laissez faire* of to-day differs from that of the last century. For there is at present a very wide belief in the possibility of controlling corporations, and whereas the *laissez faire* of the last century went so far as to deny the necessity of government control, that of to-day very largely admits it. By *laissez faire*, therefore, I mean the controlled *laissez faire* that now prevails as well as the uncontrolled *laissez faire* of a century ago, the essential difference between *laissez faire* and Socialism being that the former implies leaving the production and distribution of everything to private capital whether controlled or uncontrolled by government; whereas Socialism implies putting production and distribution of at least the necessaries of life into the hands of those who actually produce and distribute them without any intervention or control of private capital whatever.

I have been careful to take my facts and figures not from Socialist publications, but from government publications or economists of admitted authority. I have, too, in every case where it seems necessary quoted my authority so that there may be no doubt as to the source from which my facts are drawn.

In conclusion it must be stated that there are four very different standpoints from which Socialists start—the economic, the political, the scientific and the ethical.

Ethical writers began by disregarding the economic side of Socialism altogether, and some economic Socialists are therefore disposed to despise ethical and so-called Christian Socialism; whereas the ethical view is not only useful, but essential to a complete understanding of the subject.

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The scientific view of Socialism has been comparatively little treated, but it is not for that reason the least important. On the contrary, Herbert Spencer and his school have built a formidable opposition to Socialism based upon pseudo-scientific grounds. It becomes, therefore, important to point out the extent to which Herbert Spencer was wrong and Huxley right in the application of science to this question.

My own conviction is that the highest Socialism is that which reconciles all four views—the economic, the political, the scientific and the ethical. But as this is a work of exposition rather than of controversy, I have abstained from insisting upon this view and have, on the contrary, endeavored to give a fair account of all four arguments, in the hope that those who are inclined to the economic view may adopt it for economic reasons; those inclined to the political view may adopt it for political reasons; those who are attracted by the scientific view may adopt it for scientific reasons; and those who are attracted by the ethical view may adopt it for ethical reasons, leaving it to time to determine whether the strongest argument for Socialism is not to be found in the fact that it is recommended by all four.

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BOOK I

WHAT SOCIALISM IS NOT

SOCIALISM is not a subject which can be put into a nutshell. On the contrary it resembles rather a lofty mountain which has to be viewed from every point of the compass in order to be understood. Mont Blanc, approached from the North or Swiss side, presents the aspect of a round white dome of snow; approached from the South or Italian side it presents that of a sharp black peak of rock. Yet these totally different aspects belong to the same mountain. It takes a mountaineer about three days to go round Mont Blanc on foot; it takes an ordinary pedestrian who has to stick to roads about a week. It is probable, therefore, that the reader new to the subject will take at least a week to understand Socalism, which is quite as big a subject as Mont Blanc and considerably more important. He is likely, however, to take much more than a week if, as happens in most cases, he starts in a forest of prejudices any one of which is sufficient to obstruct his view. In the confusion in which the ordinary citizen finds himself, owing to this forest of prejudices which constitutes the greatest obstacle to the understanding of Socialism, he may very possibly wander all his life, and the first duty, therefore, of a book

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on Socialism is to take him out of the forest which he cannot himself see "because of the trees."

The great enemy to a sound understanding of Socialism used to be ignorance; to-day, however, there is less ignorance, but a great deal more confusion; and the confusion arises from two sources: confusion deliberately created by false denunciations of Socialism, and confusion unconsciously created by personal interests and prejudice.

The confusion arising from these two sources may be described as subjective obstacles to Socialism because they exist within ourselves. They are to be distinguished from objective obstacles to Socialism which exist outside of ourselves. For example, if a majority of us were in favor of adopting Socialism, we should still find many objective obstacles to it; for example, if we proposed to expropriate the trusts, we should undoubtedly be enjoined by the courts; we should find ourselves confronted with federal and State constitutions; we perhaps would have to amend these constitutions. These difficulties are outside of us. But before we reach these obstacles, we have to overcome others that exist within us and are to-day by far the most formidable. These subjective obstacles reside in our minds and are created there by vested interests, property, ignorance and misrepresentation. We are all of us under a spell woven about us by the economic conditions under which we live.

For example, the workingman who has saved a few hundred dollars and goes out West to take up land, thinks that by so doing he will escape from wage slavery. He does not know that he is not escaping slavery at all, but only changing masters. Instead of being the slave of an employer, he becomes the slave of his own farm. And the farm will prove an even harder taskmaster

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than a Pittsburg steel mill, for it will exact of him longer hours during more days of the year and seldom give him as high a wage. Nevertheless, the fact that he owns the farm—that the farm is his property—awakens in him the property instinct that tends to rank him on election day by the side of the bourgeois.

So also the store-keeper who, because he owns his stock, buys goods at a low price and sells them at a high, and makes profit, considers himself superior to the wage-earner, unmindful of the fact that his store adds to long hours and low wage the anxieties of the market and that, thanks to trusts and department stores, he is kept perpetually on the ragged edge of ruin.

The clerk, too, whose only ambition is to rise one grade higher than the one which he occupies, is prevented by the narrowness of his economic field from appreciating the extent to which he is exploited. Instead of being bound by class consciousness with his fellow clerks, he is, on the contrary, in perpetual rivalry with them, and is likely to be found on election day voting with the owner who exploits them all.

And even the wage-earner, the factory hand, who is the most obviously exploited of all, is in America still so absorbed by his trade union, by his fight with his employer, that he has not yet learned to recognize how much stronger he is in this fight on the political than on the economic field. So he too, instead of recognizing the salvation offered to him by Socialism as his fellow workingmen in Germany do, allows himself regularly to be betrayed into voting for one of the capitalist parties which his employer alternately controls.

And the darkness in which these men are regarding matters of vital interest to them is still further darkened by their own ignorance, by the ignorance of those around

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them and, I am afraid I must add, by deliberate misrepresentation.

Let us begin by extricating ourselves from the forest of prejudice that makes all clearness of vision impossible and, when we can see with our eyes, we shall take a rapid walk around this mountain of Socialism, as all climbers do, if only to choose the best points from which to climb it.

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CHAPTER I

SUBJECTIVE OBSTACLES TO THE UNDERSTANDING OF SOCIALISM

Vested Interests

There is in the archives of the House of Commons a petition filed by the gardeners of Hammersmith in opposition to a proposed improvement of the country roads, which would enable gardeners further removed from London to compete with Hammersmith gardeners on the London market. They regarded themselves as having a vested right in bad roads and actually took these so-called rights sufficiently seriously to petition Parliament not to improve roads which were going to bring them into competition with gardeners already at a disadvantage by being further removed from the market than themselves.

This is an illustration of the extent to which the human mind can be perverted by personal interest. But there is another illustration of so-called vested interests much more revolting in its nature and yet perhaps more justified in fact. When the cholera broke out in Paris, in 1830, and it was believed to have been brought into the country through rags, a bill was presented before the French Parliament for the destruction of all deposits of rags in the city. This was violently opposed by the rag pickers, who pointed out that these rags constituted their only source of existence, and they found many members

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of the French Parliament to support their view. We, who can dispassionately consider the situation of these rag pickers, have to admit that, if they could earn their living in no other way than rag picking, it would be a mistake for Parliament to deprive them of their source of living without giving them some other employment. But it would be worse still were Parliament to allow Paris to be decimated by cholera because the rag pickers claimed a vested right in pestiferous rags.

A similar situation presents itself in the city of New York to-day. The tenement-house commission has imposed upon tenement-house owners certain obligations which involve an expenditure of considerable sums of money, and many of our best citizens are indignant because the tenement-house law is not always rigidly enforced. Yet all who have followed the recent rent strike on the East Side, know that the tenement houses there are in large part owned by men as poor as those who live in them. The immense congestion in this district brought about such competition for lodgings that speculators were enabled to buy tenement houses at their utmost value and to sell them at a still higher price by persuading the thriftiest of the inhabitants of the district that, if they purchased these tenement houses and acted as their own janitors and agents, they could earn more money than was then being earned. Victims were found who have put all their savings into these tenement houses, leaving the larger part of the purchase on mortgage. These new landords raise the rent in order to make the houses pay for themselves. These pauper tenement-house owners are in the same position to-day as the Paris rag pickers of 1830.

The question of what, if any, compensation should be paid when the state interferes with vested rights cannot

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be decided by any general rule. The demand for compensation by the Hammersmith gardeners was absurd; but that of the rag pickers was justified; that of poor tenement-house owners on the East Side seems also to be justified; but if the state in taking over these unwholesome tenements were to find one in the hands of a speculator, would compensation be to the same degree justified?

So these questions seem to become questions of detail; they cannot be disposed of by a general rule: "there shall be compensation" or "there shall not be compensation." Above all things, these so-called general rules must not be erected into dogmas or "principles" under the standard of which Socialists are to group themselves and fight one another.

It is interesting to consider in connection with this subject the geographical character of the objections to Socialism as illustrated by the attitude taken by England and America respectively on the subject of municipal ownership.

In England, municipal ownership of gas is the rule rather than the exception. Indeed Manchester has owned its own gas plant from 1843, and has furnished the public with gas at 60 cents per thousand cubic feet, and even at that price [1] made a net profit in 1907–8 of £57,609, which has been applied to the diminution of rates and extension of the service. Birmingham, which had to pay an extravagant price for its gas plant, nevertheless immediately reduced the price of gas and brought it down from $1.10 under private ownership to 50 cents to-day. In England, therefore, it is perfectly respectable to approve of municipal ownership of gas. But inasmuch as water has been until very lately

[1] "Municipal Year Book," 1909, p. 482.

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furnished to London in great part by a private company chartered by James I. the stock of which has increased in value a thousand per cent and which counts among its stockholders royalty itself, anybody until very lately who proposed municipal ownership of water in London, was regarded as a dangerous anarchist.

The New York situation is just the reverse. For New York, after having tried private ownership of water and abandoned it as early as 1850 on account of the corruption that resulted therefrom, undertook public ownership of water with such success that no disinterested citizen to-day wants to go back to the old plan. So a New Yorker can advocate municipal ownership of water and still be regarded as a perfectly respectable citizen; but should he venture to favor municipal ownership of gas he is at once classed with those whose heads are only fit to be beaten with a club.

How long are we going to allow our opinions to be manufactured for us by water companies in London and gas companies in New York? Obviously we cannot take an impartial and intelligent view of this great question until we have divested ourselves of the prejudices created by vested interests. If the propertied class, which is committed to existing conditions by the fact that it profits by them, is willing to yield no inch to the rising tide of popular dissatisfaction and the awakening of popular conscience, it is probable that the revolutionary wing of the Socialist party will prevail, if only because under these circumstances the evolutionary wing will not be allowed to prevail. If, on the other hand, the propertied class become alive not only to the danger of undue resistance, but also to the reasonableness and justice of the Socialist ideal, there is no reason why vested interests, save such as owe their existence to downright

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robbery and crime, should materially suffer in the process of Socialist evolution. If this be true the words "menace of Socialism" will turn out to be inappropriate and unfounded. Sound Socialism has no menace for any but evil-doers.

Having now climbed out of the forest of prejudices created by private or so-called vested interests, let us next consider the different points of view created by temperament and economic conditions, from which the subject of Socialism tends to be regarded.

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CHAPTER II

ECONOMIC CONDITIONS

Bourgeois, Revolutionist, and Evolutionist

Every man who is earning a living is profoundly affected by all that affects his living. If Socialism seems to threaten this living, he instinctively and often unconsciously repudiates it. From one point of view, Socialism presents a more formidable aspect than from another. It takes a very skilled climber to scale Mont Blanc from the Italian side, whereas from the Swiss side it is simply a matter of endurance. The same thing is true of Socialism.

Now there are three distinct and opposing points of view: The bourgeois point of view, the revolutionist point of view, and the evolutionist point of view.

(a) *The Bourgeois Point of View*

The bourgeois point of view is that which students of political science have been in the habit of describing as individualism. But there are objections to this use of the word individualism, as will appear later on.

The bourgeois view is that the production and distribution of the things we need can best be conducted by allowing every man to choose and do his own work under the stimulus of need when poor and of acquisitiveness when rich. This system is well described in the

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maxim: "Every man for himself and the devil take the hindmost." The first part of this maxim has in it considerable merit, for it encourages the self-reliance that has made the prosperity of America. But the latter part merely expresses a pious wish that is seldom gratified. The devil does not take the hindmost. The devil leaves them here to stalk through our highways and streets, a permanent army of about 500,000 tramps, swelled at all times by thousands and in such times as these by millions of unemployed.[1]

The bourgeois view is that of the man who owns or expects to own property; the bourgeois class represents a small proportion of the whole population, and is sometimes described as the propertied class.

But as the propertied class is in control of our schools, colleges and press, it has hitherto made the opinions of the vast majority. Thus the bourgeois view is not only that of the propertied class, but also that of most of those who have no property. It is the view of the man in the street.

Lately, however, Socialism has been making inroads into the opinions of both classes, and this has divided Socialists into two groups which, though generally found fighting under the same banner, nevertheless take different views of the subject, which tends to confuse the uninitiated. These two views are conveniently described as revolutionist and evolutionist. Let us study the revolutionist point of view first:

(*b*) *The Revolutionist Point of View*

Marx rendered a great service by pointing out the extent to which the non-propertied class is exploited by

[1] December, 1908.

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the propertied class—the proletariat by the bourgeois—the factory hand by the factory owner. Marx, however, did not himself confine Socialism to the struggle between the factory hand and the factory owner. But there has arisen out of the Marxian philosophy a school which has emphasized the observation of Marx that the factory hands increased in number while the factory owners decreased in number, and that this tends to produce a conflict between the two—a revolution from which the factory hand must emerge released from the incubus of the factory owner. Two ideas dominate this school: the class struggle—a struggle practically confined to the factory worker on the one hand and the factory owner on the other; and the revolution—the eventual clash between the two. The triumph of the factory hand is, according to this school, to result in the complete overturn of the whole social, industrial and economic fabric of society, the community[1] succeeding to the individual in the ownership of all land and all sources of production—all profit now appropriated by the factory owner accruing to the community and inuring to all the citizens of the state.

This revolutionist school regards Socialism from the point of view of a class that has no property—the proletariat—just as the bourgeois looks at Socialism from the point of view of those who have property. Both points of view tend to be partial; the bourgeois tends to see only what is good for himself in existing conditions and all that is bad for him in Socialism; the revolutionist tends to see all that is bad for him in existing conditions

[1] I am careful to use the word "community" and not the word "state," for state ownership is not Socialism. The Prussian State stands for state ownership, and even Mr. Roosevelt would not characterize the Prussian Government as Socialistic.

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and only what is good for him in the proposed new Socialism. This fact tends to make revolutionists dominate the Socialist party (which is mainly recruited from the proletariat) and is, therefore, entitled to the most serious consideration. Private interest is the dominating motive of political action to-day. It is the avowed motive of the bourgeois. He has, therefore, no excuse for denouncing this same motive in the proletariat, all the less as the bourgeois has to admit that his industrial system produces pauperism, prostitution, and crime; whereas the proletariat points out that Socialism will put an end to pauperism and prostitution and in great part also to crime.

Because revolutionists believe that this change cannot be effected without a revolution—without a transfer of political power from the bourgeois to the proletariat —they speak of their movement as revolutionary, and often say that Socialism must come by revolution and not by reform.

But these words must not be allowed to mislead. Although the Socialist platform says that "adequate relief" cannot be expected from "any reform of the present order," it nevertheless embraces a series of reforms entitled "Immediate Demands." This is proof positive that the Socialist party is not opposed to legislative measures that in the bourgeois vocabulary are known as reforms, since it advocates them.

Socialists make a distinction between legislation that tends to transfer political power from the exploiters to the exploited and those that do not; the former are termed revolutionary and the latter are termed mere reforms. The former are what they stand for. But they do not for that reason remain indifferent to legislation that improves human conditions. On the contrary,

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the immediate demands of the Socialist platform include:

The scientific reforestation of timber lands and the reclamation of swamp lands; the land so reclaimed to be permanently retained as a part of the public domain:

The enactment of further measures for general education and for the conservation of health. The Bureau of Education to be made a department. The creation of a department of public health. The free administration of justice.

Obviously, therefore, even revolutionary Socialists advocate certain reforms; but they will be content with nothing less than the transfer of political power from those who now use it ill to those who will use it better.

Last, but not least, revolution does not in the Socialist vocabulary involve the idea of violence. It is used in the same sense as we use the expression "revolution of the planets," "revolution of the seasons," "revolution of the sun." Undoubtedly there are Socialists willing to use violence in order to attain their ends just as there are Fricks willing to use Pinkerton men, and mine owners willing to use the militia to attain theirs. But the idea of violence has been expressly repudiated by the leaders of the Socialist party. And the word "revolution" must not be understood to include it. This question is studied in fuller detail in Book III, Chapter II.

(c) *The Evolutionist Point of View*

The evolutionist point of view claims to be wider than either of the foregoing. The evolutionist is not content to study Socialism from the point of view of any one class. He undertakes to climb out of the forest of prejudices

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created by class to a point where he can study Socialism free from every obstruction. He studies Socialism from the point of view of the whole Democracy, including the employer, the employee, and those who neither employ nor are employed; as, for example, the farmer who farms his own land without the assistance of any farm hands outside of his own family. From this point of view, he can denounce the evils of the existing system of production and distribution—if system it can be called [1]—without the bitterness that distorts the view of the victims of this system, and can therefore see perhaps more clearly the methods by which the evils of the existing system can be eliminated.

The evolutionist points to history to prove that forcible revolution is generally attended by great waste of property and life, and is followed by a reaction that injuriously retards progress. He therefore seeks to change existing conditions without revolution, by successive reforms. This class of Socialist is denounced by revolutionists under a variety of names. He is called a parlor Socialist, an intellectual Socialist, but perhaps the name that carries with it the most contempt is that of step-by-step Socialist. He answers, however, that when he finds his progress arrested by a perpendicular precipice such as we are familiar with at the top of the Palisades, he refrains from throwing himself—or advising his neighbors to throw themselves—headlong into the abyss, but takes the trouble to find a possibly circuitous way round. He will not consent to sit at the top of the precipice until he grows wings, as the Roman peasant sat by the Tiber "until it ran dry." The step-by-step Socialist is content to adopt a winding path which sometimes turns his back to the place which he wishes to reach, because he holds

[1] Book II, Chapter III.

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in his hand a compass whose unerring needle will bring him eventually to the desired goal.

Again, the evolutionist claims to be supported by ethical and scientific considerations which the revolutionary Socialist regards as of secondary importance. But for the present it is convenient to postpone the study of the ethical and the scientific aspects of Socialism and to content ourselves with stating two principal claims made by the evolutionist, viz.:

First: that his view is likely to be clearer than that of either the bourgeois or the revolutionist, because it is not obstructed by class interest;

Second: that his policy is likely to be wise, because it is neither stationary as that of the bourgeois nor headlong as that of the revolutionist.

In conclusion, the revolutionist keeps his eye fixed on the horizon—perhaps it may even be said that he fixes his eye beyond the horizon, if that be possible; he looks forward to a state of society which, because it seems unrealizable to-day most of us are inclined to regard as visionary; and in presenting to us a commonwealth in which every personal interest will be vested in the community, he attacks at once the personal interests of every man who owns property in the country. Obviously, if all agriculture is to be owned by the community, every farmer will lose his farm. If all the factories are to be owned by the community, every factory owner will lose his factory. If all distribution is to be managed by the community, every storekeeper will lose his store. The revolutionary Socialist therefore raises against himself every property owner in the land; and all the more because there is division in the ranks of revolutionists as regards compensation, to which I have already referred. (See Vested Interests, p. 18.)

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The evolutionist on the contrary confines his attention for the present to existing conditions. He adopts, it is true, as an ultimate goal the coöperative commonwealth advocated by the revolutionists. It is indeed the point to which his compass is always directing him. It constitutes the ideal to which he believes the race will eventually adapt itself. But in addition to historical fact regarding the cost of revolution in the past, and in view of certain other scientific facts which will be dwelt upon later, he recognizes that personal or vested interests are likely to interfere more than anything else with the adoption of Socialism as an ultimate goal, and that these interests therefore no statesman can afford to disregard.

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CHAPTER III

MISREPRESENTATION AND IGNORANCE

MICHAELANGELO has said that sculpture is the art of chipping off superfluous stone. The sculptor sees a statue in every block. This is what Whistler used to call the "divine art of seeing." The sculptor's task is to remove those parts of the block that hide the statue from the layman's eye. So the Socialist sees the coöperative commonwealth imprisoned within the huge, rough, cruel mass that we call modern civilization, and his task is to remove from the beautiful form he sees the errors which mask it from the view of the unenlightened. If we can but remove these errors our task is in great part accomplished; and the first of these errors is that which confounds Socialism with Anarchism.

§ 1. SOCIALISM IS NOT ANARCHISM

Nothing is more unjustified than the confusion which exists in people's minds between Anarchism and Socialism. This confusion is not altogether unnatural, for Socialism and Anarchism have one great feature in common—both express discontent with existing conditions. The remedies, however, propounded by the Anarchists for evil conditions and those propounded by Socialists are contradictorily opposite. They are so opposite that

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the bourgeois turns out to be more nearly associated with the Anarchist than the Socialist is.

The theory upon which our present economic and political conditions are founded is that the less government interferes with the individual's action, the better. This theory may be said to have taken its start at the period of the French Revolution, and is generally connected in the minds of English-speaking people with Adam Smith, the Manchester School of *laissez faire*, the earlier works of John Stuart Mill, and all the works of Herbert Spencer. When, however, the pernicious consequences of allowing every individual to do as he chose with his own became felt, as for example in the poisoning of rivers by allowing every factory to pour its waste into them; and in degeneration of the race through unlimited exploitation of women and children in factories and mines, governments all over the world have been obliged as measures of self-defence to enact laws limiting individual action. The individualism of the beginning of last century has been gradually leading to the Socialism of to-day, Socialism being, among other things, an intelligent limitation of the abuse of property in accordance with a preconceived plan, instead of spasmodic limitation of the abuse of property forced upon us by the pernicious consequences thereof, often creating new abuses as bad as those suppressed.[1] While therefore the Socialist asks that the functions of government be extended sufficiently to secure to every man the greatest amount of liberty, and the bourgeois on the contrary demands that there

[1] The principal evil attending such laws is that they give rise to graft. In other words, our political machine actually favors such laws, because they put a club in the hands of the machine through which it can not only levy political contributions, but coerce their victims into support of the machine.

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shall be the least amount of government consistent with the protection of property and life, the Anarchist asks that there shall be no government at all. The bourgeois, therefore, is closer to the Anarchist than the Socialist is—in fact he stands between the two.

Socialists and Anarchists then are polar opposites. There is a whole world between them. Indeed it is impossible to conceive two theories of government more opposite one to another than that of Socialism, which demands more government, and that of Anarchism, which demands the destruction of government altogether.

§ 2. Socialism is not Communism

Those who derive their information regarding Socialism solely from books are apt to be puzzled by the word "Communism," because it has at different times stood for different things. The early Christians were Communists; so were Plato and Sir Thomas More; so also was Proudhon, whom Mr. Roosevelt places in the same category with Karl Marx. He does not seem to be aware that Proudhon and Marx were the protagonists of conflicting schools and that Marx drove Proudhon—who was a communistic Anarchist—and his followers out of the Socialist party of that day. For from Marx' economic doctrine of value was derived a totally new idea in the movement; this idea is couched in a formula which has become so familiar to Socialists that it seems incredible that anyone undertaking to write about Socialism should ignore it; namely, that the *laboring class is entitled to the full product of its labor;* that is to say, that it shall securely have exactly what it earns; no more, no less; that it shall be deprived of it neither by the capitalist as

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to-day nor by the thriftless or vicious as under the Communism of Apostolic times.

Mr. Roosevelt accuses Socialists of "loose thinking." Is there not a little loose thinking about this confusion of Socialism and Communism? Or is it that Mr. Roosevelt is just a century behindhand? Or is it that he has never read the works of Proudhon and Karl Marx, whom he groups together as propounding the same kind of Socialism? As a matter of fact, Proudhon has been so discredited by Marx that few Socialists think it worth while to read his works; whereas "Capital" is to-day the Bible of the Socialist movement.

One word, however, must be added about Communism before dismissing the subject: There are two kinds of Communists, just as there are two kinds of Anarchists; those who adopt Communism and Anarchism out of discontent with the present system; and those who adopt them because they stand for perfection. With the first category we need not concern ourselves. Their day is over. With the second there is an important point to be noted: Such writers as Kropotkin see further than the average citizen. They look forward to a day when the spirit of mutual helpfulness which ought to attend the substitution of coöperation for competition will have entirely changed human nature; when men will have acquired *habits* of industry, of justice, and of self-restraint that seem now incredible to us; they will then as naturally work as they now naturally shirk; they will as naturally help one another as they now naturally fight; they will as naturally share with one another as they now despoil one another. This may seem wildly impossible to us now; but if we look back to the day when our forbears lived in hordes, when children bore their mother's name because they did not know their father's,

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when no woman could move from her hut alone without being subject to assault, when self-indulgence prevailed except in so far as it was checked by fear, we can appreciate the scorn with which one of them would have listened to a prophet who should announce that men and women would ultimately mate once for all and be faithful to one another; children know their fathers and bear their father's name; women travel from one end of the country to another with perfect security, and self-restraint cease to be an imposition and become a habit. If then man has become so profoundly modified by the progress from the promiscuousness of the horde to the self-restraint of the family, why should he not be capable of one step further—from the habits that result from competition to the habits that would result from coöperation—from mutual hatred to mutual helpfulness? This is the hope and faith of such writers as Kropotkin. But it is not yet within the range of practical politics. So the Socialist party rightly confines its program within practical limits. There are too many idle and vicious among us to-day; too many products of human exploitation; too many worn-out men, women, and children; too much degeneration; too much hypocrisy; too much "looseness of thought." We must cut our garment to our customer. All that the Socialist asks to-day is to have what he earns. Morally he is entitled to it. Can our system of production be so modified as to assure this to him? This is the problem we have to solve. Socialists say that it can be so modified, or that it can, at least, be so modified as to put an end to pauperism, prostitution, and in great part to crime. This is the practical Socialism of to-day as distinguished from the Communism of centuries ago or that of centuries ahead. This is what the Socialist party stands for, and it is by this

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standard and no other that the Socialist party must be judged.

Socialism then does not stand to-day for Communism. On the contrary, it demands that the workers be assured, as exactly as is humanly possible, the product of their labor, and not share it with the idle and vicious on the one hand or be deprived of it by the capitalist on the other.

One reason why Communism has been discarded by the Socialist party is that generations of competition have so molded human nature that it is extremely probable that production would suffer were it suddenly eliminated. A man who has accustomed himself to the stimulus of arsenic cannot be suddenly deprived of arsenic without developing the symptoms of arsenical poisoning. It will doubtless be indispensable to maintain competition in the coöperative commonwealth. There is no longer question then of discarding competition; the question is in what doses shall it be administered; in doses that produce the pauperism and prostitution of to-day, or in doses that will furnish the necessary stimulus for human exertion without pushing that stimulus to exhaustion and degeneracy?

This question brings us to our next subject:

§ 3. Socialism will not Suppress Competition

No modern Socialist maintains that all competition is bad, or that it would be advisable to eliminate competition altogether from production and distribution. But it has become the duty of every sane man to consider whether it may not be possible to eliminate the excessive competition that gives rise to pauperism, prostitution, and crime. To answer this question, we must begin by

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determining what competition is good and what bad; and if the bad can be eliminated and the good maintained.

Competition is a part of the joy of life; healthy children race one another as they are let out from school; they challenge one another to wrestle and leap; and when they are tired of emulation, they join hands and dance. Competition and coöperation are the salt and the sweet of life; we want the one with our meat and the other with our pudding; we do not want all salt or all sweet; for too much sweet cloys the mouth while too much salt embitters it.

We all unconsciously recognize this by encouraging games and discouraging gambling. Now what is the difference between games and gambling? One is a wholesome use of time for the purpose of wholesome amusement; the other is an unwholesome abuse of time for the purpose of making money. The one incidentally encourages a beneficial action of muscle and brain; the other, on the contrary, promotes a detrimental appetite for unlawful profit.

We are all perfectly agreed about this so long as we confine ourselves to games and gambling; but as soon as we extend our argument to production and distribution we shall at once come into collision with the bourgeois. Let us therefore be very sure that our premises are sound and our deduction sure before we confront him.

Even as regards gambling there are degrees of vice; some would justify old people who bet only just enough on the issue of a game of piquet to make it worth while to count the points; whereas all would condemn a bet that involved the entire fortune, much more the life or death of a human being.

Now it may seem extravagant to assert that the competitive system of production imposes upon the majority

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a bet involving life or death, yet statistics demonstrate that mortality is from 35 to 50 per cent higher with those who lose than with those who win in the game of life.[1] But it is not extravagant to assert that it imposes upon the majority a bet involving a thing quite as precious as life—I mean health. A man who bets his life and loses is free from pain on this earth at any rate; but the man who bets his health and loses is committed to a period of misery not only for himself, but for all those around him so long as breath is in his body.

The greatest evil that attends the competitive system of production is that it commits all engaged in it to a game the stake of which is the life happiness not only of himself, but of all dependent on him.

If this were a matter of mere sport there is not a man with a spark of moral sense in him who would not condemn it. He would denounce it as a gladiatorial show; as belonging to the worst period of the worst empire known to history. But because it is a matter of production the bourgeois has for it no word save of justification and praise. He justifies it by the argument of necessity: "the poor you have with you always." He praises it because it "makes character."

If there were indeed no other system of production possible but the competitive system, the plea of necessity would be justified. But when we are dealing with a question involving the happiness of the majority of our

[1] The death rate in 1900 among occupied males in the professions was 15.3 per 1000; in clerical and official classes 13.5; mercantile, 12.1; laboring and servant classes 20.2 per 1000 (12th Census U. S.) Dr. Emmett Holt, writing in the *Journal of the American Medical Association*, points out the marked contrast between the death rate of the children of the poor and the children of the rich. See Appendix, p. 421.

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fellow creatures, we must be very sure that there is no better system before the plea can be admitted. And as to those often misquoted words of Christ, there will undoubtedly under the coöperative as well as the competitive system always be some shiftless, some poor. But everything depends on what is meant by the word "poor." To-day the poor are on the verge of starvation; poverty means not only misery, but disease and crime. Under a coöperative system there need be no starvation; no fear of starvation; less disease; and infinitely less crime! The vast majority of men do not need the lash to drive them to their work; it is no longer necessary to keep before us the fear of want, of misery, of starvation; we have passed that stage; and just as the lash is used by trainers only for wild beasts, and gentler animals are better trained by the hope of reward than by the fear of punishment, so humanity has reached a point of moral development which makes it no longer inferior to the lower animals—the bourgeois notwithstanding. Better work can be got from a man by the prospect of increased comfort than by the fear of misery and unemployment.

As to the second justification, that the competitive system makes character; look for a moment at the character of the men who have succeeded in the competitive mill. Are these the saints of the latter day? Or are our saints not to be found amongst those who have never been in the competitive mill—who have resolutely kept out of it—Florence Nightingale, Father Damien, Rose Hawthorne, the Little Sisters of the Poor?

The real problem is not whether we should or can eliminate competition altogether from the field of production, but whether we should or can eliminate it to the extent necessary to put an end to the three great curses of humanity to-day.

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§ 4. Socialism Will not Destroy the Home

Mr. Roosevelt in his *Outlook* editorial[1] said of the "Socialists who teach their faith as both a creed and a party platform" that "they are and necessarily must be bitterly hostile to religion and morality," that they "occupy in relation to morality and especially domestic morality a position so revolting—and I choose my words carefully—that it is difficult even to discuss it in a reputable paper."

When, however, he undertakes to substantiate this, he is obliged to admit that he cannot find any traces of it in American writers, and has to go to France and England for his examples. Had he been better informed, he would have known that not only is there no trace of immorality in our American Socialist press, but that there is one Socialist organ—the Christian Socialist—which has in the most vigorous terms denounced all those whose writings tend in any way to attack the fundamental principles of marriage. It is true that Christian Socialists in Mr. Roosevelt's opinion "deserve scant consideration at the hands of honest and clean-living men and women"; but he has not explained why. Nor has he ventured any explanation why Christian Socialists or any other Socialists should be "necessarily—bitterly hostile to religion and morality."

I must postpone to the chapter on the Ethical Aspect of Socialism[2] the explanation why Socialism, far from being "necessarily bitterly hostile to religion and morality," as Mr. Roosevelt maintains, is—on the contrary—the only form of society ever proposed which could make religion and morality possible. At the present time, it

[1] *Outlook*, March 20, 1909. [2] Book III, Chapter V.

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seems sufficient to point out the obvious fallacy of Mr. Roosevelt's syllogism.

Here it is:

Gabriel Deville wants to destroy the home.

Gabriel Deville is a Socialist;

Therefore: All Socialists want to destroy the home. The logic of this is bad enough, but even the premiss is false. Deville is no longer a Socialist; and if he does want to destroy the home, no one that I know of in America wants him back in the fold.

In exactly the same manner our ex-Presidential logician argues regarding divorce:

Herron divorced;

Herron is a Socialist;

Therefore: All Socialists divorce. Herron was divorced in 1901. He is the only leading Socialist who has divorced during twenty years to Mr. Roosevelt's knowledge or to mine. Whereas, during that time here are the statistics of divorces for the United States:

Total number of marriages 1887–1906, 12,832,044

Total number of divorces 1887–1906, 945,625

or about one in 12,[1] in all of which the majority of the men presumably voted for Mr. Roosevelt.

Can anyone who knows the family life of Socialists assert that the divorce rate among them is greater than that of the community in which they live?

Again, the pretence that the American home to-day is one which a capitalist like Mr. Roosevelt can hold up to the admiration of the world will not stand scrutiny.

Where there is wealth for leisure, there we find immorality enthroned as a vice; and where there is no leisure, there we find immorality imposed as a necessity. Are the filthy tenements and promiscuous lodgings of

[1] U. S. Census Bulletin 96, p. 7, 12.

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the congested districts in our large cities the homes to which Mr. Roosevelt is fearful that Socialism will put an end?[1] Or is it the so-called She-towns in New England from which men are driven because there is no employment in them for any save women and children?[2] Or the lumber camps to which these men are driven where there is no employment for women?[3] Or the home of the unemployed to which the bread-winner has returned day after day for two years now, seeking employment and finding none—guilty of no crime save that no man has hired him? Thousands—nay, hundreds of thousands of such so-called homes are scattered over the face of this land which Mr. Roosevelt has during seven years administered.

As a matter of fact, no decent home is possible for the majority of our fellow citizens so long as they are called upon to support it at present prices on present wages. All this will, I think, be made clear in the description of industrial conditions. Suffice it to say here that these conditions furnish a few luxurious and often licentious homes for the propertied class and a few comfortable and moral homes for the aristocracy of the working class, but leave a vast number of our families so nearly upon the edge of poverty as to drive their daughters to prostitution and their sons to crime.

§ 5. Socialism Will not Abolish Property

Another charge made by Mr. Roosevelt is that Socialists propose to abolish property and distribute wealth. It has been repeated by both Mr. Taft and Mr. Bryan and is still being repeated *ad nauseam* by the press. Work-

[1] "Poverty," by Robert Hunter. (Macmillan.)

[2] "Socialism and Social Reform," by R. T. Ely, p. 43. (Crowell.)

[3] Ibid.

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ingmen so absorbed by the making of bread that they have no time to discuss questions of government may be excused for being ignorant on such a point as this; to them ignorance cannot be imputed as a fault. But that those who set themselves up as the persons best fitted to govern and educate our country—as indeed the only persons in the country possessing the knowledge of statesmanship necessary to handle our governmental affairs and publish our daily press—should either never have taken the trouble to find out what Socialism is, or, having taken the trouble, should so traduce it, is a sad commentary upon our editors and statesmen.

Just as it has been demonstrated that Socialism is opposed to Anarchism, so can it be demonstrated that Socialism is opposed to the distribution of wealth or the abolition of property. Far from distributing wealth, the essence of Socialism is that it seeks to concentrate it. Far from wanting to abolish property Socialism seeks to put it on a throne. The question of property is so important that a special chapter has been devoted to it. I shall therefore only say here just enough to remove the error created by the misstatements current on the subject.

Property is not only the basis of our present civilization, but must be the basis of all conceivable civilizations. It may be said that not only all law, but all government, is founded upon it. Property was instituted to furnish to every industrious man security as regards himself, his family, and the means of their support; to protect him and them from theft, from fraud and evil doing.

Unfortunately property, like every human institution —even the best of them[1]—has been abused to serve

[1] "Government or Human Evolution," Vol. II, p. 88 *et seq.*, by the author.

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the selfishness of the crafty; and there have arisen, therefore, notions and laws regarding property which have reversed the results which property was instituted to secure. Instead of making every industrious man secure as regards himself, his family, and the means of their support, it has actually deprived the majority of all security regarding these things and, indeed, put the majority as regards these things at the mercy of a very few. Not only this, it has created conditions which to-day are depriving several millions of us not only of all means of support, but of all opportunity of earning them.

The bourgeois' excuse for such conditions is that no better can be devised. Here is the whole issue of Socialism raised; for Socialism contends that these conditions are totally unnecessary; that it does not need any imagination or invention to substitute for them a system that will put an end to such evils as pauperism, prostitution, and, in great part, crime; that we have but to adopt as a community the principles already adopted by the men—the makers of the trusts—to whom the whole business world looks up as infallible on these subjects; and that this can be accomplished by ridding the institution of property of the fallacies with which it has been industriously defaced. Just indeed as the truly religious have during all ages sought to rescue religion from the crafty who tend to use it for their own ends—Christ from the Pharisee, Plato from the Sophist, Luther from the Borgias, so Socialists are now seeking to rescue property from the few who, under a mistaken theory of happiness, use property to injure their fellow creatures when these very few can attain happiness only by so using property as to benefit those they now injure.

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(It must, however, be specifically stated that Socialism does not involve the concentration of all wealth in the state. No sane Socialist proposes to vest in the state the things which a man uses, his personal apparel, his personal furniture, his objects of art, his musical instruments, his automobile, or even his private yacht.)

There is no intention to suppress private property except so far as it is used for exploitation. Light is thrown upon this subject in another paragraph, which indicts the capitalist system for making the production of the necessaries of our lives the object of their competitive enterprises and speculations.

What the Socialist party proposes to do is not to abolish property, but to abolish the capitalist system, as it expressly states; and it proposes to do this not only in the interest of the proletariat, but also in the interest of the capitalist himself, who, to quote the words of the platform, is "the slave of his wealth rather than its master." The extent to which this last is true will be discussed in a subsequent chapter and ought to constitute an impressive argument for all—even millionaires—who have become the slaves of the very fortunes they have made. And the moral tendency to restore property to its original intention by abolishing the capitalist system is expressly stated in the platform as not an attempt "to substitute working-class rule for capitalist-class rule, but to free all humanity from class rule and to realize the international brotherhood of man." If this be immoral, then a great many of us do not know what morality is.

Nor does it propose to vest in the state anything but what it is indispensable for a state to own in order to rescue the unwealthy majority from the exploitation of the wealthy few. Nothing is more false or libelous than the allegation that Socialism proposes to destroy

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property, or to deprive a man of the benefit of his talents, or of the enjoyment of the products of his work. It is the present industrial system that deprives the majority of the product of their work. Socialism aims at the opposite of these things. What Socialism does propose is to preserve wealth by eliminating waste and to ensure to all men the fullest benefit of their talents and the enjoyment of the whole product of their work. It does not propose to level down, as is so often claimed; the necessary effect of Socialism is to level up, if indeed it levels at all. The extent to which it may be wise to concentrate wealth in the state, or whether it is necessary to concentrate it in the state at all, is a question which must be postponed until we have a clear idea of what Socialism is.

Meanwhile I venture to suggest one view of Socialism which, although it does not attempt to define it, may help us as a first effort to get a correct apprehension of it.

Socialism is the concentration of just so much wealth in the community—please note that I do not say "state"—as may be necessary to secure the liberty and the happiness of every man, woman, and child consistent with the liberty and the happiness of every other man, woman, and child.

We are obviously here brought to the question of what is liberty, and to the discussion of another error regarding Socialism upon which the bourgeois is disposed to insist, viz.: Socialism will impair liberty.

§ 6. Socialism Will not Impair Liberty

The same thing must be said of liberty as of property: both are such important subjects that they demand a chapter to themselves. But there are current errors

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about liberty which, when removed, will prepare the mind for the undoubted fact that Socialism, far from impairing liberty, will greatly enlarge it.

When negro slavery existed people thought that if slavery were only abolished, liberty would be secured. It was found, however, that when negro slavery was abolished there was still another liberty to be secured—political liberty.

Now that we have secured the constitutional right and the constitutional weapon by which political liberty ought to be attained, we discover that these rights and weapons are useless to us so long as the immense majority of us are still economic slaves.

Let us consider for a moment just what is meant by an economic slave.

An economic slave is a man who is dependent for his living on another man or class of men and who, because all his waking hours and all his vitality must be devoted to making a living, has no leisure either to exercise his political rights or to enjoy himself.

It may seem exorbitant to say that the "immense majority" of us are economic slaves, yet a very little consideration will, I think, convince that we are.

Workingmen are dependent on their employers under conditions worse than negro slavery. For a slave owner had an interest in the life of his slave just as a farmer has an interest in the life of his stock. He therefore fed his slaves and did not overwork them. Nor was a slave subject to losing his job. The factory owner, on the contrary, not being the owner of his factory hands, is free to dismiss them as soon as they are worn out, and it is to his interest, by speeding up his machinery, to get the most work out of his hands possible, regardless whether he is overworking them; for as soon as they

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show signs of overwork he has but to dismiss them and employ a younger generation. Nor can it be said of workingmen that they have leisure for education, politics, or enjoyment. Now the last census shows that our industrial population numbers 21,000,000.

In the second place, the farmer works himself as hard—if not harder—than the factory owner works his factory hand. He is driven by the same necessity as the factory owner—the necessity of making money.[1] There are of course a few large farmers who own enough land to work it as the factory owner works his factory—by the use of machinery and men. But these are few, and it is the extraordinary economy that these men make in working their farms that obliges the small farmer to work night as well as day to make a bare living out of his land. Now by the last census the farming population in the United States numbers 30,000,000.

And what has been said of the workingman is true of the clerk and domestic; and what has been said of the small farmer is true of the small tradesman. Now clerks, domestics, and tradesmen number 30,000,000. Summing up we have:

Industrial population	21,000,000
Farmers	30,000,000
Clerks, domestics and tradesmen	30,000,000
	81,000,000

out of a total population of 90,000,000 are economic slaves.

And of the 9,000,000 that remain, how many are economically free?

[1] "The American Farmer," A. M. Simons.

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These are in part teachers, physicians, and lawyers. I leave it to teachers to tell us how much time they can call their own. As to the rest, it is the dream of a young doctor to get a large practice; and when his dream is realized, how much leisure does he enjoy? He is at the mercy of his practice, not only weekdays, but Sundays—days and nights. He is the slave of his own practice. It is the dream of the young lawyer to get rich clients and handle big cases. When he gets them, he discovers that he must have an office that costs between $30,000 and $50,000 a year to take care of them, and that he must earn these large sums before there is a penny left for himself. So he too is the slave of his own office.

But further than this: Our great business men—amongst them the very greatest—I have seen with my own eyes slowly sink under the burden of the very institutions their own genius had created. They too have become the slaves of their own creations.

So we are all slaves, the greatest and the least of us, with exceptions so few that they are hardly worth mentioning. And how do these exceptions use their leisure? It were better not too closely to inquire. Too much leisure is as detrimental to happiness and progress as too much work. The enormous increase of lunacy in late years is a straw that shows how the stream runs. Because of too much work or too much leisure the race is marching with fatal speed toward general prostration of nerve, of body, and of mind.

Whether then we look at this question from the point of view of human progress or of human happiness, it seems indispensable that the whole machinery of production be speeded down a little instead of continuously up. Now this is what Socialism proposes to do: It proposes by the substitution of coöperation for com-

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petition to make the same economy for all humanity as trust promoters have made for themselves. And the economy will be an economy of time. We shall work as hard while we are working, but we shall work four hours instead of eight and twelve. And the rest of the time we shall have to ourselves; we shall be economically free.

Yet if the reader has in his mind any such idea of Socialism as Mr. Roosevelt's "state free lunch counter," resulting in an "iron despotism over all workers compared to which any slave system of the past would seem beneficent because less utterly hopeless"—he will be disposed to condemn in advance any economic freedom purchased at such a price. I beg the reader, therefore, to try to rid his mind of the prejudice created by such views as Mr. Roosevelt's until he has read the chapters on the Economy of Socialism and How Socialism May Come. If in these chapters the errors of Mr. Roosevelt's notions are not dissipated, then this book will have been written in vain.

One thing more, however, must be said on this subject. Inexcusable though Mr. Roosevelt may be in most of his attacks on Socialism, it must be admitted that the "iron despotism" to which he thinks Socialism will lead is justified by many Socialist authors, and it is only very lately that a way has been found for introducing coöperation without compulsion. Again, Mr. Roosevelt is in good company in making this charge. It is the great *cheval de bataille* of every anti-Socialist.

In "A Plea for Liberty," edited by Herbert Spencer, the idea of concentrating wealth in the community is denounced as a "conception of life or conduct" which would compel men "to rise at morn to the sound of a state gong, breakfast off state viands, labor by time

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according to a state clock, dine at a state table supplied at the state's expense, and to be regulated as to rest and recreation."

In fact, Socialism proposes none of these things. But if it did, a factory hand might very well ask whether such a conception of life or conduct would be worse than to rise at morn by the sound of a factory bell, labor by time according to a factory clock, neither breakfast nor dine at a factory table supplied at the factory's expense, but be regulated as to rest and recreation by factory rules. When we come to discuss liberty, we shall be in a position to compare the liberty enjoyed under Socialism with the liberty enjoyed to-day.

In the chapter on Property and Liberty, the subject of liberty is carefully analyzed; no more, therefore, need be said on this subject except in conclusion to insist that it is the competitive system of to-day that makes slaves of practically all of us, and that it is the coöperative system alone that will secure for us the last and greatest of all the liberties—economic liberty—because it is economic liberty alone that will enable us to enjoy the other two.

§ 7. Conclusion

Having now chipped off some but not all of the errors that prevail regarding Socialism, let us sum up what Socialism is not; it will help us to a study of what Socialism is.

✓ Socialism is not Anarchism. It is the contradictory opposite of Anarchism. It believes in regulation, but demands that the regulation be wise and just.

✓ Socialism is not Communism. On the contrary it demands that workingmen be assured as nearly as possible the product of their labor.

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Socialism does not propose to eliminate competition, but only to abolish excessive competition that gives rise to pauperism, prostitution and crime.

Socialism is not hostile to the home. On the contrary, it seeks to remove the evils that make the homes of our millions insupportable.

Socialism is not immoral. On the contrary, it seeks to make the Golden Rule practical.

Socialism does not propose to abolish property or distribute wealth. It proposes, on the contrary, to consecrate property and concentrate wealth so that all shall enjoy according to their deserts the benefits of both.

Socialism will not impair liberty. On the contrary, it will for the first time give to humanity economic liberty without which so-called individual and political liberty are fruitless. It proposes to regulate production, consecrate property, and concentrate wealth only to the extent necessary to assure to every man the maximum of security and the maximum of leisure; thereby putting an end to pauperism, prostitution, and in great part, to crime, and furnishing to man environment most conducive to his advancement and happiness.

Whether it will accomplish these things can only be determined by approaching it from the positive side. We shall proceed next then to answer the question what Capitalism is.

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BOOK II

WHAT CAPITALISM IS

SOCIALISM is necessarily twofold: destructive and constructive; critical and remedial. We shall take the critical or destructive rôle of Socialism first; setting down the evils in our existing industrial system which Socialism criticizes and seeks to destroy, and leaving the remedial or constructive rôle of Socialism where it properly belongs—to the end. For this reason the present book, which treats of the evils of the existing industrial system, is entitled "What Capitalism is."

EVILS OF CAPITALISM

For nearly two centuries men have produced and distributed the things they needed, upon what is called "the competitive system." That is to say, every individual is free to choose his particular share in this work and to make out of his work all that he can, in order with the money so made to purchase for himself the things that he individually needs. The farmer undertakes to furnish us with food, the forester with lumber, the miner with iron. Another set of men run railroads, steamboats, wagons, etc., to distribute the

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things produced to those who are engaged in selling them—by wholesale to the trade, or by retail to the consumer. Every man engaged in production and distribution is in a measure competing with every other man engaged in it, each trying to make out of his particular calling the largest amount of money possible with the view of being able with the money so earned to purchase for himself the largest amount of necessaries, comforts, and luxuries. This so-called competitive system has been elaborately described by all writers of political economy from de Quesnay and Adam Smith, the fathers of our present system of political economy, to the present day; and because it follows the predatory plan of nature (by which one set of animals lives by devouring another set), it is claimed by some so-called philosophers to be "natural" and therefore wise. The most notorious author of this so-called scientific justification of the competitive system is Herbert Spencer.

The competitive system, however, has been found to result in great waste, misery, and disease; and it is to these evil consequences that the Socialist desires to put an end. He claims that the competitive system is not wise, not scientific, and above all, not economical, but is the most wasteful system conceivable. He alleges that the only intelligent, economic way of producing and distributing the things we need is by coöperation; and the whole economic issue between Socialism and our present industrial system is that Socialism stands for coöperation, and our present system for competition.

It is by no means a necessary part of Socialist philosophy that competition be entirely eliminated. On the contrary, it has been pointed out and will later be further seen that competition has many useful qualities.[1] Social-

[1] See Book I, Chapter III.

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ism, however, points out that competition, when allowed full sway in producing and distributing the necessaries of life, is the direct occasion of the larger part of the misery in the world, and insists, therefore, that *as regards production and distribution of the necessaries of life*, competition be sufficiently eliminated to assure to all men the opportunity to work, and as nearly as possible the full product of their work. The limitation in italics is the definite dose to which reference has already been made.[1]

One prominent feature of the competitive system is that men do not work for the purpose of supplying the needs of their fellow creatures. The Steel Trust does not manufacture steel to satisfy our need for steel; the farmer does not raise wheat to satisfy our need for bread; they produce these things simply for the purpose of making money for themselves in order that with this money they can procure for themselves the things they need. Socialism claims that the rôle played by money in the competitive system is unfortunate, because the amount of money available at any given time is not always properly adjusted. Sometimes it is so badly adjusted that there is more cotton in one place than the people in that place can use, and in another more people who need cotton than there is cotton to give them; so that it is deliberately proposed to burn cotton for lack of consumers in one place, while consumers are allowed to suffer for lack of cotton in the other. So a short time ago thousands were dying of starvation for lack of wheat in India, while we had such a superabundance of it in America that we were exporting it every day. But that wheat was not available for India because it had to be converted into money.

[1] See Book I, Chapter III.

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Socialists allege that this bad situation would never arise if things were produced for the purpose of satisfying human needs instead of for making money.

Let us enumerate some of the most important evils of the competitive system, which Socialism seeks to correct. These evils briefly are: The competitive system is stupid because wasteful and disorderly; it is unnecessarily immoral, unjust and cruel.

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CHAPTER I

CAPITALISM IS STUPID

§ 1. Overproduction

The first and most glaring evil of the competitive system is that it is stupid. In support of this I shall call as witnesses captains of industry whom the business men regard as the greatest authorities in the world: John D. Rockefeller[1], Henry O. Havemeyer[2], Elbert H. Gary[3] and others.

Socialists are accused of being impractical. I shall have failed in properly presenting the Socialist case if I do not succeed in demonstrating that the impractical people are the bourgeois, the Roosevelts, Tafts and Bryans who, though aware of the waste of the competitive system, insist upon maintaining it; and that the only practical people are those who, like the Socialists, having perceived the waste that attends the competitive system, seek to replace it by a more economic plan.

[1] Industrial Commission Report, Vol. I, p. 794.

[2] Ibid., p. 101.

[3] Ibid., p. 982.

The results of the work of this Commission are well summed up in Ind. Com. Rep., Vol. I, Pt. I, p. 39, by Professor Jenks; and the waste eliminated by trusts still more compendiously treated in "Government," Vol. II, p. 543, by the author.

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No one will, I think, deny that the most practical business men to-day in America are Rockefeller, Pierpont Morgan, Havemeyer, and the others who have been engaged in organizing our great trusts. Now the only object of a trust is to eliminate the unnecessary waste of competition; and the only difference between the Socialist and the trust magnate is that the Socialist wants the benefit derived from reducing competition to be shared by all; whereas Rockefeller, Pierpont Morgan and the other trust magnates want the profit secured by the elimination of waste all to themselves.

I do not suppose there is any man living so prejudiced or so dull as to deny that, if Socialism could present a system by which all could be made to profit from the elimination of the waste of the competitive system in such a manner that the profit of each shall be proportional to the amount which each contributes, Socialism would be justified. The only point upon which there can be discussion is whether it is possible to suggest a workable plan under which the evils of competition can be eliminated, and the blessings of coöperation take their place. In other words, is coöperation a practical cure for competition? It is obviously impossible to decide whether a given treatment would constitute a cure for a given disease, without a thorough knowledge of the disease. It is therefore essential that we should be clear as regards the defects of the competitive system, and how far these defects are curable and how far incurable.

The beauty of the competitive system upon which the bourgeois loves to dwell is that it is automatic; whenever there is overproduction in an industry prices fall, profits disappear and therefore capital flows away

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from it; as soon as overproduction comes to an end prices rise, profits reappear and capital flows back to it. And the beauty of this automatic system is the more commended because it closely follows Nature; and indeed, the system of Nature is beautiful in the extreme. The sun draws the vapor of pure water from the salt ocean; lifts it high into the air, wafts it by propitious breezes to the continent; sheds it in beneficent rain upon the thirsty land, and deposits it in gigantic reservoirs of ice and snow upon our mountain heights; there is the supply upon which during hot summers we depend; and the hotter the summer, and the more therefore we need moisture, the more the snow and glaciers melt and furnish us with torrents of refreshing streams; so that at last the vapor that has been drawn by the sun from the ocean, in obedience to the inevitable law of gravitation, returns to it in a thousand rivers, after having performed its function of nutrition and refreshment on the way.

In the same fashion demand is ever beckoning labor and capital to seek new fields, tempting them from the low levels of low interest to high levels of high profit; and supply, increasing through their efforts, is forever bringing them back, like the force of gravitation, to the point whence they started; and the cycle is repeated over and over again, performing its mission of production and distribution on the way.

Unfortunately, Nature, though beneficial in the main, does not accomplish its work without distressing incidents. Breezes are not always propitious; they sometimes create disastrous havoc; torrents are sometimes more than refreshing, and summers unduly hot.

For example, the more abundant a crop is, the more prosperous the country which grows the crop ought

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to that extent to be; but it sometimes happens that, in such case, prices fall so low as to bring disaster to those who have grown it.[1]

Nature is not always to be depended on. Occasionally a crop entirely fails, and when this happens, as lately in India, millions are exposed to starvation and thousands actually starve.

Even when Nature is most bountiful the competitive system results in misfortune. For example, the President of the Boston Chamber of Commerce in a speech to the Chamber said in 1891:

"In 1890 we harvested a cotton crop of over eight million bales—several hundred thousand bales more than the world could consume. Had the crop of the present year been equally large, it would have been an *appalling calamity* to the section of our country that devotes so large a portion of its labor and capital to the raising of cotton." [2]

In 1905 the newspapers announced "the South is proposing to burn cotton so as to keep up its price." [1] And still more recently the same suggestion has been made regarding the tobacco crop in Kentucky.

Again, the competitive system under which every man goes into the business where he sees most profit, inevitably leads to periods of overproduction, and overproduction leads to unemployment and misery.

No political economist denies the obvious fact that whenever an industry is known to be profitable, capitalists are likely to engage in this industry—indeed, this is one of the automatic processes which the Manchester

[1] See N. Y. *Tribune*, Jan. 1, 1905, p. 2, column 2. Ibid., Jan. 2, 1905, p. 11, column 1.

[2] "Socialism and Social Reform," by R. T. Ely, p. 134.

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school has put forward as constituting the chief merit of the system. It is, of course, important for the community at large that prices should in no one industry become excessive; and obviously the disposition of capital to rush into industries where profits are high, does by competition tend to reduce prices, and thus prevent them from becoming excessive. But economists, especially those of the Manchester school, have not been willing to recognize that this disposition of capital to flow into productive enterprises may, though sometimes beneficial, be also sometimes ruinous; may, indeed, often result in a devastating deluge. These economists, therefore, it may be well to confront with a brief history of one or two of our largest combinations. Let us take as a first example the sugar trust.

Just before the organization of this trust, overproduction had become so excessive that of forty refiners in the United States eighteen became bankrupt. Of the twenty-two that remained, eighteen combined. Of the refineries belonging to these eighteen, eleven were closed, leaving seven to do profitably the work which had previously been done unprofitably by forty.

The history of the whisky trust shows overproduction to a still more aggravated degree. Before the organization of the Distilling and Cattle-Feeding Company, agreements were entered into by the majority of the distillers; under one of them they agreed to reduce production to forty per cent of what it at that time was; subsequently they agreed to reduce still further to twenty-eight per cent; and of eighty of the principal distillers who organized the Distilling and Cattle-Feeding Company, the establishments of sixty-eight were closed, leaving only twelve distilleries operating.

The same succession of events is found in the history

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of the American Steel and Wire Company, and indeed of practically all American trusts.

This inevitable tendency towards overproduction vitally concerns workingmen, for it is upon them that the evil consequences of this process first and most fatally fall. As soon as the process results in the inevitable reduction of prices to near cost, the manufacturer must either throw workmen out of employment or reduce wages. Wages constitute the only elastic element in cost, and it is therefore the workingman who first pays for the evil working of this system. And not only does the workingman pay for it, but the employer pays for it also; for workingmen, to protect their interests, strike, and only the wealthiest employers can stand the strain of a strike; the rest are ruined by it.

Even a reduction of the hours of work or the days of employment in the week will, if it lasts long enough, ruin the employer, for he has still to pay the fixed charges of the factory, and if prices get low enough, and he cannot sell his goods except at a ruinous loss, he ends by not having means to pay these charges; and this process is illustrated in the cases just mentioned; for example, eighteen out of forty sugar refiners became bankrupt; and it was not till the eighteen were ruined that a combination was possible amongst the rest.

One method employed by trusts to keep up prices at home is to sell their excess of goods in foreign markets at prices below cost.

Mr. Gary, President of the Federal Steel Company, testified before the Industrial Committee that steel had been recently shipped to Japan at a price below the domestic price.[1]

Mr. J. W. Lee, President of the three independent

[1] Report of the Industrial Commission, 1900. Vol. I, p. 199.

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pipe-line organizations, testified that prior to 1895 "oil for export was sold below the cost of crude at the refinery." [1]

Again, at a time when the American trade was paying $28 for steel rails, the same steel rails were sold in Japan at $20.[2]

Obviously, the nations who are the victims of this process are not long going to tolerate it; but this is a relatively small part of the international complications produced by overproduction. The most serious consequence of overproduction is that manufacturers, when they can no longer get a remunerative price for their goods in the home markets, are inevitably driven to seek it elsewhere. They seek foreign markets, and failing foreign markets, they seek new markets by colonization or conquest.

It is impossible to read the history of the British Empire during the last 150 years without becoming persuaded that its so-called greed for conquest inevitably results from the necessity under which English manufacturers have been to secure markets for their increasing goods. Either British factories had to close, and British workmen to be thrown out of employment, or England must, by colonization or conquest, secure a price outside her own borders for the goods which competition perpetually tended to make her factories overproduce.

Indeed, the war through which England compelled China to purchase Indian opium looks like the greatest of international crimes; yet, when we understand this so-called crime of England, it turns out to have been a commercial necessity; for the remunerative prices obtained by the production of opium in India had so

[1] Report of the Industrial Commission, Vol. I, 1900, p. 121.

[2] *Monde Economique*, Feb. 20, 1897.

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developed this branch of business that millions of Indians depended for their lives upon it, and either Chinese must poison themselves with opium, or Indians must die of hunger. The responsibilities of England were to her subjects first. The Chinese had to pay the price of this responsibility.

No better illustration of the wicked despotism that results from existing industrial conditions could be given than this; it brought about a condition of things under which England must commit a crime against China, or millions of her subjects must perish in Hindustan.

The millions that would starve in India if the opium market were suddenly closed remind us of the millions who are on the verge of starvation here in the United States,[1] and have been for two years past because of inherent and incurable defects in our industrial system. It is no answer to say that the evil results of overproduction are promptly remedied by the fluidity of capital to flow towards profitable and to withdraw from unprofitable manufactures. Every time such withdrawal takes place a corresponding number of workmen are thrown out of employment, are subjected to want and anguish of anxiety. The evil of this system cannot be explained away by pointing out that the capital withdrawn from one manufacture will soon be reinvested in another. A cotton-spinner cannot in a week or a month become a boilermaker. The commercial system which makes it easy for a capitalist to maintain income at cost of agony to the workingman does not recommend itself to the political student seeking the establishment of Justice in economic conditions. For, unfortunately, labor is not as "fluid" or insensible as capital. The workingman is a human being with the capacity for pain and

[1] July 19, 1909.

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anxiety that characterizes our race; and every time that capital profits by its fluidity to flow from one industry to another, the lives of men, women, and children are threatened by want. Even in prosperous times memories of the last panic and the certainty of a recurring panic keep their hearts haunted by fear.

Overproduction is by no means the only cause for these periods of unemployment. Indeed, the panic of 1907 was not the result of overproduction, but of overinvestment, or what the French call the "immobilization of capital." Every nation has two very different uses for wealth: one for keeping its population alive and comfortable, the other for developing the resources of the country, e.g., building roads and railroads, exploiting mines and quarries, etc. If too much wealth is immobilized in the latter, there is not enough for the former. The important function of regulating this matter is in the hands of bankers who make money not only out of the prosperity of prosperous times, but out of the panic of panic periods. Thus in May, 1907, the bankers, knowing that there had been overinvestment, took care of themselves by selling securities at top-notch prices, occasioning what was called the "rich man's panic," because the rich men of leisure were its victims; so that when the poor man's panic came in October and stocks tumbled to one-half of May prices, the bankers were able to reinvest the proceeds of May sales at fifty per cent profit. One of the consequences of this operation was that in October, 1907, neither manufacturers nor railroad men could get money to keep their work going; gangs of five thousand men at a time were summarily dismissed by railroads, and manufactures shut down.

Of course, the bankers did not "make the panic," as

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has been sometimes ignorantly asserted; they only made money out of it both ways—out of high prices in May and out of low prices in November. And this illustrates one of the great defects of the competitive system—that it puts different sets of men in a position where they can make individual profit out of the misfortunes of their neighbors; bankers out of panics; distillers and liquor dealers out of drunkenness; manufacturers and retailers out of adulteration, and so down the whole gamut of production and distribution; and this is the process which the bourgeois approves because it "makes character."

But the unemployment that is the necessary result of all periods of depression, whether produced by overproduction or overinvestment, deserves more than passing mention for its fruits in the shape of misery, pauperism, prostitution and crime, are menacing and prejudicial to the race.

§ 2. Unemployment

The subject of Unemployment has just been treated by an expert in a book [1] hailed by the press as the final word on the subject. All the theories ever propounded as to the cause of unemployment have been reviewed in this book, from overproduction, underconsumption, competition, to "spots on the sun." And the author concludes in favor of competition.[2] As regards the facts and the explanation of these facts, there seems to be no essential disagreement between orthodox economists and Socialists. Both trace unemployment back to competi-

[1] "Unemployment: A Problem of Industry," by W. H. Beveridge and others. (Longmans.)

[2] Ibid., p. 61.

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tion. And in addition to the arguments given by Mr. Beveridge for tracing unemployment to competition, I venture to add that competition must be decided to be the primary cause, because it is itself the cause of the other so-called causes occasionally proposed—overproduction, underconsumption, underemployment, underpayment—in fact, all except "spots on the sun," which can, I think, except for purposes of hilarity be definitely abandoned.

But although we are agreed as to facts, we very much differ as to emphasis. Mr. Beveridge, and indeed all orthodox economists, pass lightly over the injustice, the immorality and the agony of unemployment. He refers to the "cyclical fluctuation" which gives rise to unemployment as a mere failure of adjustment between demand and supply. "No doubt," he says, "the adjustment takes time and may only[1] be accomplished with a certain amount of friction and loss." Now this "friction and loss," when expressed in money and wealth, seem to us socialists stupid because avoidable; but when expressed in human life and misery, they seem so intolerable that we are prepared if necessary to shatter to bits the whole system that underlies them, in order to "remould it nearer to the heart's desire." We are relieved then when we discover that by applying wisdom instead of temper to the solution of the problem, it is unnecessary to do any shattering, that we can remould it without violence, and that this is what Socialism proposes to do. Mr. Beveridge disposes of the Socialist solution in a sentence: "To abolish the competitive stimulus," he says, "is to abolish 'either the possibility of, or the principal factor in material progress.'"[2]

[1] "Unemployment: A Problem of Industry," by W. H. Beveridge and others.

[2] Ibid., p. 63.

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But these few words beg the whole question: Need we abolish the competitive stimulus in the adoption of the Socialist cure? Can we not confine ourselves to eliminating the gambling element in it? Can we not diminish the stakes without abandoning them altogether? Can we not take our arsenic in tonic instead of in fatal doses? These questions belong to our constructive chapters at the end of the book. I shall take up here only a few other points about unemployment which orthodox economists do not sufficiently emphasize, in order that there may be no doubt as to the magnitude of this evil and as to the duty upon us to eliminate it if we can.

Few things irritate the bourgeois more than to speak of workingmen as "wage slaves." I have seen college professors lose their temper over this word so often that they have served to suggest that in using it we are, as children say, getting "warm." We are very near the Negro we are looking for in the woodpile. Unemployment will help us in our search.

Not only the slave, but the savage, has a great advantage over the workingman, in that the former is never unemployed and the latter need never be so unless he chooses. Unemployment then is the peculiar product of our civilization. It is only under this competitive system of ours that a strong, hearty, able-bodied man, not only willing, but burning to work, with plenty of work to be done and with plenty of food to be eaten, is refused both. Although there are vacant lots in the heart of our cities and deserted farms within a few miles of them, the unemployed and the women and children dependent on them are to starve because owing to the "failure of adjustment between supply and demand," no one for two years past has been able to make money by employing them. Why this is so will more fully

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appear in Book II, Chapter III. It is only necessary here to point out the forces that tend to make the wage slave not only more unfortunate, but more dangerous to the community than the African slave.

The slave owner has the same interest in the welfare of his slaves as the cowboy in his cattle. God knows this is not much, but it is sufficient to keep slaves and cattle in good condition if only for the purpose of getting work out of the one and high prices out of the other. The interest that a slave owner has in the health of his slaves is a continuing one; it lasts during the working years of his slave. The owner has paid a price or his slave has cost him a certain amount to raise. The interest of the owner, therefore, is to get the most work out of the slave during his working years. For this purpose he lengthens these working years to the utmost possible; and accordingly feeds and clothes his slave sufficiently and does not overwork him.

The interest of the factory owner is just the opposite. He has paid nothing out of his capital for what is called the "free labor" he employs; and because free labor exacts a high wage and short hours, it is to the interest of the factory owner to get the greatest work possible out of his employee, regardless whether his employee is overworked. It is to his interest, not only to use his employee, but to use him up; and to this end he speeds up his machinery to the utmost point in order to force his employees to do the greatest work possible during the hours of employment, and has recourse to pacemakers. He does this with perfect security, because he has an unlimited amount of young labor always at his disposal to replace employees prematurely worn out from overwork and the diseases that come from overwork. The factory owner does not adopt these methods out of

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hardness of heart, but out of the necessity of the market. If he pays a workingman high wages for short hours, he must get the greatest work out of him if he is to compete successfully with other factory owners in the same line of business. Even the most merciful factory owners have to overwork their employees in order to sell goods at prices fixed by the merciless market. This system results in manifold evils. It creates a class not only of unemployed, but of unemployables; men who cannot render efficient service because of disease and of the drunkenness to which overwork tends; for when a workingman feels his strength begin to wane he has recourse to stimulants to last his day out, and once the habit of stimulants is contracted, he loses his appetite for nourishing food and becomes thereby more and more confirmed in the use of intoxicants.

We have here, therefore, a perpetual and necessary production of unemployed and unemployable; the industrial town resembles a gigantic threshing machine which produces its regular quota of unemployed and unemployables as certainly as a threshing machine produces chaff.

This leads to another point to which I wish to attract special attention. Unemployment is generally regarded as a purely temporary evil. Indeed, the New York *Times* took me to task for speaking of it as a permanent evil.[1] The reason for this widespread error is that permanent unemployment is a thing to which we have grown accustomed. Charitable societies are familiar with it and know that it exists all the time; but it is only when unemployment adopts gigantic proportions so that the unemployed crowd our parks and streets and even indulge in public demonstrations,

[1] N. Y. *Times*, Oct. 2, 1908.

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that the public becomes aware of it. And it is not only the regular operation of the industrial threshing machine that produces the unemployed and unemployables; it is the character of certain industries and occupations such as seasonal industries—for example, carpentering and casual occupations, such as stevedores and longshoremen. Mr. Beveridge gives a very graphic picture of the unemployment on the London docks:[1]

Most of us have heard of the great Dock Strike of 1889, and of the distinguished men who undertook to settle it. Efforts were made then to regulate work on the wharves, and while these efforts did improve the condition of the best of the men, as Mr. Beveridge says, "it is seldom realized how small a proportion of the total field of dock and wharf labor is really covered by the reform."[2]

He attributes the maintenance of evil conditions still prevailing on the docks to the "separation of the interests of wharfingers, shipowners, and contractors," to our old enemy—competition.

To appreciate the evil effects of casual or irregular employment, we have again but to quote Mr. Beveridge:

"The knowledge that any man, whatever his experience, however bad his antecedents, might get a job at the docks, attracted to their neighborhood a perpetual stream of blackguards, weaklings and failures from other every occupation. The experience, soon made, that regular attendance was not necessary to secure selection on days when work happened to be plentiful, and the daily alternations of hard exercise and idleness rapidly developed in those who came, if they had it not before, the greatest irregularity of habits, and physical or moral incapacity for continuous exertion. The low physique

[1] "Unemployment." W. H. Beveridge, p. 87.

[2] Ibid., p. 91.

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and half-starved condition of many of the laborers made their work dear at 4d. an hour." [1]

Here he falls in with the evil feature of the competitive system which has been described as gambling with nothing less for stakes than life, health and happiness: "Finally," concludes Mr. Beveridge, "the door is opened to abuse of patronage; convivial drinking and even direct bribery are not unknown as a means of securing employment." [2]

The form of bribery paid by employees when of the female sex is a still darker side of this dark subject.[3]

Another permanent cause of unemployment is underemployment and underpayment. In many occupations, such as coal mining, underemployment is averaged over a year so as to cause little unemployment but much distress; the high wages which the miners are able to stipulate for through their trade unions are reduced by diminishing the days of work in the year. In other occupations underemployment and underpayment reduce employees to a state of starvation, which of course swells the rank of the unemployables.

Having seen how the pressure of the market forces factory owners to overwork their employees and to dismiss all who are not able to earn the wages they receive; how casual employment creates and keeps alive a class of labor such as is described by Mr. Beveridge, and as must perpetually throw employees either upon charity or into the street; and having seen that this is a result of inherent and constant conditions of our industrial

[1] "Unemployment." W. H. Beveridge, p. 87.

[2] Ibid., p. 98. See also "Problems of Unemployment in the London Building Trades." N. B. Dearles (1908, J. M. Dent). Cf. pp. 87–8.

[3] Book II, Chapter I.

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system, we are not surprised to find that statistics of unemployment indicate that it exists not only in periods of industrial depression, as is imagined by the New York *Times* and others, but is, on the contrary, a permanent feature. For example, the September Report of the New York Commissioner of Labor shows that the average percentage of unemployment during the prosperous period between 1902 and 1907, was 16.1 per cent. We shall see later when we endeavor to calculate the amount of our population affected by unemployment, that 16.1 per cent, being derived entirely from trade union reports, does not fully represent the whole, because it is generally admitted that unemployment prevails in much larger proportion in unorganized labor than in organized.[1] The last United States Census sets down the number of factory hands at over 7,000,000. Taking therefore the official figures as representing the minimum of constant unemployment, 16 per cent of 7,000,000 is 1,120,000, and as every factory hand has on an average four persons dependent upon him, this means a total population of 4,480,000, or roughly, four millions and a half permanently in want in the United States owing to this unemployment which orthodox economists recognize as a necessary result of the competitive system.

But the public takes no account of the fact that our industrial system regularly reduces a population of 4,500,000 to want. The public only takes account of the extraordinary unemployment which occasions disorder and riot in times of panic and industrial depression. Panics and industrial depressions must not be confounded. We have seen that industrial depressions are the inevitable result of what Mr. Beveridge calls "cyclical

[1] Mr. Beveridge denies this in one place, p. 21; but himself produces proof of it later, p. 35.

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fluctuations" and recur with abominable regularity. Quite independent, however, of these regularly recurring industrial depressions due to the working of the competitive system, there are financial crises or panics due to similar perturbations in our money market. Although they differ in many respects from industrial depressions, nevertheless they have in common with them the inevitable result of producing unemployment on a large scale. The panic of 1907 began as a purely financial crisis, but promptly became a lengthy period of industrial depression. It is not necessary at this point to discuss the relation between these two. But it is important that mere scarcity of money in the panic of 1907 produced unemployment more suddenly and in larger proportions than any other panics that have preceded it.

Not only private enterprises such as railroads, but public bodies such as municipalities, being no longer able to borrow money, had not only to abandon work already voted, but to put a sudden stop to work already undertaken. Laborers were dismissed in batches of five thousand at a time, and every manufacturing and railroad plant was driven by the impossibility of borrowing money to cutting down expenses with a view to increasing the efficiency of the plant. Thus the Pennsylvania Railroad announced that it had so increased the efficiency of its plant that it was able to dismiss 30,000 men during the year; the New York Central during 1907 dismissed ten per cent of the staff upon its main line alone; seventy-six railroads, operating over 172,000 miles of railroad, report an economy of nearly $100,000,000, most of which constituted an economy in wages,[1] and Senator Guggenheim, in an interview published in the *Wall Street Journal*,[2] said:

[1] *Financial Chronicle*, Sept. 26, 1908. [2] August, 1908.

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"For the first time in many years the employer is getting from his men the 100 per cent in efficiency for which he pays. It is a safe assertion that prior to the panic the efficiency of labor was no higher than 75 per cent, perhaps not even that."

Special attention is directed to the foregoing because unemployment is ceasing to be a merely accidental and periodic phenomenon and is assuming not only larger, but more permanent proportions. In other words, the 30,000 men dismissed by the Pennsylvania Railroad were not dismissed because of a temporary cessation of traffic. They were dismissed because the Pennsylvania Railroad has succeeded in so raising the efficiency of their system that they can permanently run their lines with 30,000 less employees than they could before.

Let us endeavor to form some idea of the unemployment during the last two years. The only State that regularly publishes official reports on this subject is New York. The State of New York derives its information from such trade unions as report to it; and from these reports it seems that during 1908, the average unemployment has been about one-third.

As has been intimated, an average of one-third of organized labor reported by trade unions, means a very much larger proportion of unorganized labor. It is true that Mr. Beveridge disputes this in one passage,[1] but he himself furnishes the evidence of its truth in several others; as for example, where he says that "in practice, therefore, it is found that acute recurrent distress at times of seasonal depression is confined to the unskilled occupations";[2] and again, he points out how the lack of intelligence of unorganized and semi-skilled and unskilled workmen makes it impossible for them to

[1] Beveridge, "Unemployment," p. 21. [2] Ibid., p. 35.

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take account of the fluctuations that produce unemployment. "The measure of their failure," he says, "is to be found in those periods of clamant distress which evoke Mansion House Relief Funds." [1]

In Chapter V, again, he points out the chronic distress of unskilled men and that unemployment is largely due to lack of organization. It stands to reason that whereas a factory owner thinks twice before dismissing a skilled workman he will not hesitate to dismiss an unskilled workman whom he can replace at any time.[2]

However much authorities may differ on this in Europe, there can be no question about it in America. It was impossible to read the daily papers in October, 1907, without being satisfied that the first men to suffer were the unorganized and unskilled. Hardly a day passed for weeks without papers announcing the discharge of workingmen in batches of thousands at a time. It was only later that factories shut down, and then for the most part, a day or so in the week. Unfortunately, because the unskilled workingman is unorganized, it is impossible to get any information regarding the extent of unemployment in their ranks; but it can be stated without fear of contradiction, that the percentage of unemployment is much larger in the ranks of the unorganized than in those of trade unions.

The one-third, therefore, as shown by the New York

[1] Beveridge, "Unemployment," p. 65.

[2] The managers of Trusts have pointed out that in order to keep their highly skilled men, they have to sell often at a loss; and they give this as the reason for what is called "dumping" their goods into foreign markets. In other words, in order not to lower prices in America during periods of depression due to overproduction, they sell their goods at a loss abroad.—Industrial Commission, Vol. I, p. 282.

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Labor reports, is below the mark, I will not undertake to say how much. In endeavoring to make an estimate as to the extent of unemployment throughout the entire Union, we must remember that the percentage of employment in New York is likely to be larger than in purely agricultural States. On the other hand, nowhere is the percentage of unemployment greater than in the States devoted to mining. The difficulty under which we find ourselves, therefore, in giving the exact figure of the extent of unemployment, makes it wise not to increase the one-third reported by trade unions in New York in consequence of the certainty that this proportion was far larger in unorganized labor; and on the other hand, not to decrease it out of the consideration that there were some States in which the percentage would not be as much as in the State of New York. Under these circumstances it may be assumed that the percentage reported by the trade unions to the Labor Department fairly represents the average unemployment throughout the whole United States of America. Taking the census figures of over 7,000,000 as that of the workingmen in the country, one-third of 7,000,000 is 2,333,333; add to this the number of persons dependent on these workingmen; four to each, 9,333,333; add this to the first figure and we get a population of 11,666,666 which for two years has been on the edge of starvation, and saved from it only through accumulated earnings, help from trade unions and charity. As the unskilled workingman can hardly ever save money owing to the low rate of his wages, and as he is not organized and never receives benefits from a union, it may be said that the large majority of these have been living for two years on the charity of their neighbors.

It is probable, too, that the trade union member has

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been reduced to depending upon charity; for the last report on savings banks shows that $25,000,000 have been withdrawn during the last year, and their presidents, when interviewed, recognized that this diminution was caused by the withdrawal of funds by the unemployed.

It was also due to the withdrawal of funds by the trade unions. In October, 1907, many trade unions had large sums accumulated which have been applied during the year to the support of the unemployed. The Union of Pressmen had $30,000 last October, all of which has gone to support the unemployed during the year, and this union has suffered comparatively little, only 20 per cent being now idle. This 20 per cent is supported by assessments on those who are at work.

As regards remedies for unemployment, Mr. Beveridge says that "no cure for industrial fluctuation can be hoped for; the aim must be palliation." And he dwells at great length upon the palliative measures to which Switzerland, Germany, Belgium and to a less extent, France, have recourse; employment bureaus, insurance against unemployment, and farm colonies, to which last he refers only incidentally, pointing out that Hollesley Bay had proved for the most part ineffectual.[1] These palliatives have, however, rendered comparatively small service. In Germany, where they have all been applied, unemployment during 1908 reached the rioting stage, at which it becomes dangerous and commands the attention of our economists, as in England. The palliative, to which Mr. Beveridge only incidentally refers, is, to my mind, calculated not only to diminish the evil immediately, but to serve as an important bridge over which the unemployed and unemployables may pass into the Promised

[1] Beveridge, "Unemployment," p. 182.

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Land. The farm colony, however, belongs to the constructive chapter at the end of the book.

Another necessary consequence of the competitive system is a form of unemployment which, because of its importance, deserves consideration by itself—Prostitution.

§ 3. Prostitution

Prostitution is not an easy or agreeable subject to treat; it will be disposed of, therefore, in the fewest words possible. The treatment of it will be summary, not because the subject is unimportant, but because it is abominable. And if it is true that Socialism would put an end to it, this alone, for those who can comprehend the horrors thereof, ought to justify Socialism whatever be the sacrifice necessary to the realization of it. If our present competitive system is responsible for the evil to both sexes that results from prostitution, then the maintenance of this system is, so far as every one of us by indifference tolerates it, nothing less than crime.

We must begin by making ourselves clear as to what prostitution is.

Mere promiscuity of sexual relation does not constitute prostitution, for many a woman is unfaithful to her husband many times without losing social consideration, provided only she conduct herself with sufficient discretion to avoid scandal.

Nor does intercourse for money constitute prostitution; for then prostitution would include all those who marry for money. The real definition of a prostitute is a woman who has intercourse both promiscuously and for a money reward, promiscuity and gain must be united.

Now it will later be made clear that in a Socialist state

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because every woman would be furnished an opportunity to work, none would be driven to prostitution.

Prostitution is generally the direct result of the disgrace put upon a woman by loss of virtue. She is turned out of her home and her legitimate employment. She has then but one recourse. It is sometimes due to lack of employment; sometimes to the greater facility prostitution affords for making a livelihood with the least labor. In all these cases the *primum mobile* is the making of a livelihood. As Socialism would remove this *primum mobile*, would assure a livelihood to every woman upon the single condition of her performing her allotted work—there would be no motive for prostitution. If she refused to perform her allotted task she would become a pauper—but a prostitute never; for a Socialist state, as will be later explained, would segregate paupers in farm colonies, where they would be compelled to support themselves, and would not leave them to demoralize their neighbors by profligacy and prostitution.

It may be objected that society keeps itself pure by casting out women of loose character, and that an innocent girl should not be called upon to work in a factory side by side with one who will deprave her if she can. An exhaustive answer to this would involve a study of the special conditions of each State, the laws of each State, the mental attitude of the people, their tolerance of immorality or their intolerance of it. It is a problem common to every society. This exhaustive study it is not the province of this book to undertake; the subject must be disposed of, therefore, by the following general considerations:

In the society of the wealthy to-day we are confronted by the same problem as would be presented in a co-operative commonwealth in which prostitution would be

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rendered impossible by state employment regardless of morality. In other words, wealth does for the wealthy class what Socialism would do for the unwealthy; it makes prostitution improbable if not impossible. And the wealthy manage to solve the problem of promiscuity —every wealthy society for itself in its own way.

In one country the woman who outrages morality is socially ostracized; in another she is tolerated; in one country divorces are not only lawful, but fashionable; in others the church forbids divorce but tolerates the complaisant husband. *All these are problems of sex which Socialism does not undertake to solve.* Later on the scientific and ethical aspects of Socialism will, I hope, lead to the conclusion that Socialism will so raise our ethical standards and habits of mind that sexual irregularities will tend to diminish. Prostitution, however, is not a sex, but an economic problem. A woman does not receive money payment except for economic reasons. If the economic pressure is removed she may be licentious, but she will not be a prostitute. Chastity ought to be a purely moral or social question, not an economic one. The competitive system makes it economic, and of all the crimes imputable to the competitive system, this is the greatest, for it directly perverts not only the human body, but the human soul. Of course, unemployment, in degenerating the body, ultimately degenerates the soul also, but the latter degeneration is more or less remote; the public conscience may be forgiven for not having discovered or taken account of it. But that we should see women daily compelled by hunger to sell soul as well as body and should then shut against them the door of our homes and our hearts, is a crime not only against them, but against ourselves. We are hardening our hearts as well as theirs. We are forcing our minds to that obliquity which sees

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in Socialism only "pornographic literature" and "pornographic propaganda"[1] and charges the men who sacrifice their lives to the putting an end to the conditions that produce prostitution with "criminal nonsense"[1] and "grave mental or moral shortcoming."[1]

This evil, like all evils that arise from the competitive system, is not incidental or occasional, but inherent and necessary. It cannot be better stated than by Miss Woodbridge, the secretary of the Working Women's Society, in a report made to the Society on May 6, 1890:

"It is a known fact that men's wages cannot fall below a limit upon which they can exist, but woman's wages have no limit, since the paths of shame are always open to her. The very fact that some of these women receive partial support from brothers or fathers and are thus enabled to live upon less than they earn, forces other women who have no such support either to suffer for necessities or seek other means of support."

The extent to which wages are reduced below starvation rates is also stated as follows:

"The wages, which are low, we find are often reduced by excessive fines, the employers placing a value upon time lost that is not given to service rendered. The salaries of saleswomen range from $2.00 to $18.00, but the latter sum is only paid in rare instances in cloak and suit departments. The average salary in the best houses does not exceed $7.00, and averages $4.00 or $4.50 per week. Cashiers receive from $6.00 to $15.00, averaging about $9.00. Cash girls receive from $1.50 to $2.50 per week, though we know of but one store where $2.50 is paid. In the Broadway stores boys are employed, usually on commission. The average salary of one large shop for saleswomen and cash girls is $2.40; another

[1] Mr. Roosevelt in the *Outlook*, 1909, p. 622.

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$2.90; another $3.10; but in the latter, the employees are nearly all men and boys. We find in many stores the rule to fine from five to thirty cents for a few minutes' tardiness. In one store all women who earn over $7.00 are fined thirty cents for ten minutes' tardiness. Cash girls who earn $1.75 per week are fined ten cents for ten minutes' tardiness."

It is hardly necessary to comment on a wage to saleswomen varying from $2.40 to $3.10 a week, and this liable to reduction by fines. It will be observed too that owners of department stores are compelled by the pressure of the market to seek this half-supported help. Miss Woodbridge says:

"In all the stores the tendency is to secure cheap help. You often see the advertisement reading thus: 'Young misses, just graduated, wanted for positions as saleswomen;' which means that being girls with homes they can afford to work cheaper than those who are self-supporting." The words "just graduated" constitute a direct appeal to the educated—that is to say, partially supported—women.

So a self-respecting young girl who desires to contribute to the expenses of the home, sets the rate of wages which drives her less fortunate sister to misery and crime, and thus becomes the unconscious instrument of her shame.

If anyone is not satisfied that the conditions above described must result, unsavory details of a kind to persuade him will be found in the report of Miss Maud E. Miner, probation officer of city magistrates' courts, published in the Survey.

Lastly, temptation would be indirectly as well as directly diminished by the absence of prostitutes as a class. It has been already intimated that prostitution committed injustice to *both* sexes. By this it was in-

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tended to refer to the injustice of exposing our young men to perpetual temptation furnished by the facilities for prostitution. The whole question of sexual morality is mainly one of suggestion. Take eight men accustomed to believe that they cannot dispense with sexual connection; put them in a crew and remove the suggestion that they can obtain relief at any time by substituting therefor the notion of loyalty to the crew or a desire to win a race, and the desire which before seemed uncontrollable practically disappears. The moment the race is over, the old suggestion returns, and the night of a boat race has become proverbial in consequence. The same is true of men who go on hunting expeditions, yachting cruises, into lumber camps, etc. Desire becomes dormant or controllable as soon as facilities for gratifying it disappear; the moment the facility returns, the suggestion is revived, and desire becomes uncontrollable.

What, then, would be the consequence if the suggestion were minimized by the absence of prostitution altogether?

But this is not all: Men who seduce young girls and married women have learned to gratify their passions through the facility afforded by prostitution. If our youths were never afforded the chance of taking that first step which leads to the *facilis descensus*, they would, from the fact of never having gratified their passions, be less likely to undertake to gratify them at the cost of seduction. The suggestion would be absent; all women would tend to be as sacred to a man as his sister. The relation of brother and sister is due entirely to the absence of suggestion; he has learned to regard her with an unconscious respect which removes the possibility of erotic suggestion. What actually happens in the small family of to-day could also happen in the larger family of to-morrow.

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This must not be understood as a contention that Socialism would destroy immorality. Far from it. All that is claimed is that it might diminish immorality and that it would put an end to prostitution. This last is reason enough for it.

It is impossible to treat of the economic cause of prostitution without discussing its ethical consequences, because the consequences react upon the cause. But we are here chiefly concerned with its economic features; and it is impossible to put too much emphasis upon the fact that the greatest permanent blot upon our civilization is the necessary result of a competitive system that leaves a large part of our women no other means of livelihood.

Although we have carefully distinguished between the woman who sells herself to one man for a fortune and the common prostitute who sells herself to many men for a pittance, the first is often more to blame than the latter, because the latter is compelled by hunger while the former often barters her chastity out of sheer love of luxury. The whole heredity of man may be altered by the elimination through Socialism of the sordid motive for marriage. Avarice may become diminished by sexual selection. For although sexual selection is not to-day found to have the force in animal heredity that Darwin thought, it is an important factor in human heredity, thanks to the opportunity for deliberate selection furnished by our institution of marriage. But this belongs to another chapter.

From a purely economic point of view, prostitution is to be classed with unemployment, which burdens the community with the support of a class that in a coöperative commonwealth would be self-supporting. It seems hardly necessary to state that the dissipation that attends

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the life of a prostitute unfits her for work. And not content with being idle herself, she causes others to be idle and constitutes a permanent source of contagion, moral and physical, in our midst.

This is a necessary consequence of the competitive system.

§ 4. Strikes and Lockouts

Another necessary result of a system of production that sets the man who works with his hands against the man who works with his head, is the conflict between capital and labor, that expresses itself in strikes and lockouts. The conflict itself is treated in detail in the chapter entitled Trusts and Trade Unions. Here we shall confine ourselves to its wastefulness in time and money.

The sixteenth Annual Report of the United States Commissioner of Labor,[1] for 1901, estimates the loss to employees resulting from strikes and lockouts from January 1, 1881, to December 1, 1900—a period of twenty years—at $306,683,223, and the loss to employers during the same time at $142,659,104—together $449,342,327; or roughly—$450,000,000. It is interesting to note how much less is the loss to employers who are relatively able to bear it than to employees who are relatively unable to bear it. But without regard to the injustice of a system that bears so hardly upon the workingman, no practical American who desires to see production attended with the least waste and friction, can look upon such a loss as this without impatience and humiliation.

Quite irrespective of the misery that results from unemployment and the evils that attend it for the whole

[1] P. 24.

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community—employed as well as unemployed—too much emphasis cannot be put upon the foolish waste of human energy that unemployment occasions. There have been for two years in this country over a million (and probably much more than a million) able-bodied men willing and anxious to assist in the production and distribution of the things we need, and who have not been permitted to do so—the energy of over a million, and probably a great many more, absolutely wasted.

I have been amazed at the indifference of our wealthy class, and even of the philanthropists amongst our wealthy class, at this condition of the unemployed until a clue to this indifference was furnished by the naïveté of a few of our captains of industry.

Here is what one of them, Daniel Guggenheim, president of the American Smelting and Refining Company, says to the *Wall Street Journal*, August 10:

"Every manufacturer in the country has lowered his costs of production, partly through cheaper prices for raw materials, but principally on account of the increased efficiency of labor. The latter is one of the redeeming features of the current depression.

"For the first time in many years the employer is getting from his men the 100 per cent in efficiency for which he pays. It is a safe assertion that prior to the panic the efficiency of labor was no higher than 75 per cent, perhaps not even that.

"Another thing—wherever a thousand men are needed, twelve hundred apply. The result is that the thousand best men are picked; the others, of necessity, must be turned away. But the thousand work more conscientiously, knowing that two hundred are waiting to take the places of the incompetents."

Here again we have one small class benefited by the

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misery of millions of unemployed, and willing to perpetuate this condition of unemployment in order to profit by it. Of all the waste that attends the competitive system this waste of human energy is the most unjust, and the most unjustifiable, unless it can be found that the pauperism it imposes on the millions and the heartlessness it promotes in the few, contribute, as the bourgeois tells us, "to make character!" But if the waste of human energy at the cost of human agony is a matter of indifference to business men, there is another form of waste which is likely to appeal to them. We Americans pride ourselves upon our business efficiency. In the next chapter we will consider the waste of money that attends the competitive system and how the ablest business men have set about eliminating it.

§ 5. Adulteration

It would seem as though the indifference of the public at large to such wicked and wasteful things as unemployment, strikes, lockouts and prostitution, were due to hardness of heart; but if we observe a similiar indifference to adulteration which concerns every individual to the utmost, we have to recognize that tolerance of the evils of the competitive system is due not so much to hardness of heart as to stupidity. For since the dawn of our present civilization, adulteration has been a constant and abominable evil. As the Encyclopedia Americana puts it: "Adulteration is coexistent with trade;"[1] and as the Britannica puts it: "The practice of adulteration has become an art in which the knowledge of science and the ingenuity of trade are freely exercised."

Before industrialism had reached its present develop-

[1] Americana, Vol. I, Subj. Adulteration.

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ment the statutes enacted against adulteration were severe. They punished it with the pillory and tumbrel. The following are the words of the statute:

"If any default shall be found in the bread of a baker in the city, the first time, let him be drawn upon a hurdle from the Guildhall to his own house through the great street where there be most people assembled, and through the great streets which are most dirty, with the faulty loaf hanging from his neck; if a second time he shall be found committing the same offence, let him be drawn from the Guildhall through the great street of Cheepe, in the manner aforesaid, to the pillory, and let him be put upon the pillory, and remain there at least one hour in the day; and the third time that such default shall be found, he shall be drawn, and the oven shall be pulled down, and the baker made to forswear the trade in the city forever." [1]

As the Encyclopædia puts it: "All this has given way to the force of free trade." In other words, freedom of industry has been interpreted to mean freedom of adulteration, and the Act of 1872 accordingly punishes adulteration with "a sum not to exceed fifty pounds," and only provides imprisonment in case of a second offence.[2]

It is interesting to take up any standard encyclopædia and read the cold-blooded accounts of the various poisons introduced into our food and other commodities for the purpose of adulteration. The matter has been well treated by Mr. W. J. Ghent; [3] and in spite of the fact that he is a prominent Socialist his book may be read,

[1] Encyclopædia Britannica, Vol. I, p. 51.

[2] An act to amend the laws of adulteration of food, drinks, and drugs, 1872.

[3] "Mass and Class," by W. J. Ghent, p. 180–200.

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because in every case he cites an authority, and his authorities are, for the most part, reports of State Commissions and Health Departments.

It is probable that no article enters more universally into consumption than milk, and of all the articles that we consume, it is most important that milk should be pure, because it is the food of infants and children. Yet in spite of all the laws passed for the prevention of adulteration of milk, "in New York city, during 1902, of 3970 samples of milk taken from dealers for analysis, 2095, or 52.77 per cent, were found to be adulterated. The arrests in the city under the inspection acts were 193 in 1899, 460 in 1900, 464 in 1901, and 722 in 1902."[1]

The experience in Ohio has been just the same as that of New York:

"The Dairy and Food Department of that State was created in 1886. After seventeen years of inspections, arrests and prosecutions, adulterations of milk still continue. 'Out of 1199 samples tested by the chemists,' says the report for the year ending November 15, 1903, 'about one-fourth were found to be either below the required standard in solids and butter fats, or adulterated with that base adulterant known as "formalin" or "formaldehyde."'"[2]

Mr. A. J. Wedderburn calculates that 15 per cent of all our products are adulterated; that is to say, $1,125,000,000 per annum."[3] And this figure does not include

[1] "The Health Department." A pamphlet published by the City Club (1903), p. 23.

[2] Eighteenth Annual Report of the Ohio Dairy and Food Commission (1903), p. 8.

[3] Address of Dr. W. C. Mitchell of the Colorado State Board of Health, before the Portland Pure Food Convention (1902). Journal of Proceedings of the Sixth Annual Convention of the National As-

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adulterations of wine, whisky, beer, tobacco, drugs or patent medicines.

Of eleven samples of coffee compounds analyzed by the Pennsylvania Department in 1897–1898, "six contained no coffee whatever, and none contained more than 25 per cent. The contents ranged from pea hulls (65 per cent in one instance) to bran and the husks of cocoa beans." [1]

The Ohio Report of 1898, in describing what is called "renovated butter," says as follows:

"These factories have agents in all the large markets who buy up the refuse from the commission men and retailers, taking stale, rancid, dirty and unsalable butter in various degrees of putrefaction; this refuse is put through a process of boiling, straining, filtering, and renovating, and is finally churned with fresh milk, giving it a more salable appearance. The effect is only temporary, however, as in a few days the stuff becomes rancid and the odor it gives off is something frightful. It is usually sold to people having a large trade who will dispose of it quickly, for if it is not consumed at once it cannot be used at all without being further renovated." [2]

After immense agitation we have had recent legislation of a character to render adulteration difficult; the Federal Food and Drug Act which went into effect January 1, 1907, since reënacted in thirty of our States, and I suppose that many of our fellow-citizens think that this Food and Drug Act is going to some extent to put an end to adulteration. But is the experience of the entire race during its entire history to be treated as of no importance

sociation of State Dairy and Food Departments, held at Portland, Ore., pp. 378–383.

[1] "Portland Proceedings," p. 469.

[2] Ohio Report (1898), p. 10.

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in this connection? Have we not had laws of this kind before, punishing adulteration in every way—by the pillory and tumbrel as well as by fines and imprisonment—and has any of them had any permanent effect in putting an end to adulteration? How many more centuries are to elapse before we learn the lesson that, so long as you give to one set of men an irresistible motive for adulteration, no laws—no penalties, light or severe, will materially check that impulse. If they are severe the courts will not enforce them; if they are light the trade will disregard them.

It is true that the adulteration of the things we eat and drink is more important than the adulteration of things we wear. Nevertheless it is a matter of no small importance that there is hardly a thing that we do wear that is not adulterated in an astonishing degree. An interesting paper on this subject was read before the Lake Placid Conference on Home Economics, 1908.[1] The art of adulterating textiles seems to be taught in our textile schools: "As a student in a textile school said to a visitor: 'Our teacher is so clever, he can spin wool and cotton together so they can never be detected;'" and adulteration appears to be practically authorized under our New York State law of 1900, which provides that "collars marked 'linen,' 'all linen,' and 'pure linen,' must contain at least one thickness or ply of pure linen." It is a common saying that, although the total supply of wool in the world is only sufficient to meet one-third of the demand, there is always wool to be had.

Of course, one principal reason why adulteration prevails is that it is impossible for the ordinary consumer to detect it. For example, in order to analyze stockings

[1] "The Study of Textiles," by Miss Nellie Crooks, Teachers College, Columbia University, 1908.

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they must be destroyed. No consumer is possessed of the technical schooling necessary to distinguish all-wool or all-silk goods. Indeed it is stated by high authority that such a thing as all-silk and all-wool is not to be purchased in the market, though we continually buy articles declared to be all-wool or all-silk.

I do not know whether the advocates of the present industrial condition, on the ground that it "makes character," would go so far as to approve of adulteration for this reason. It must be admitted, however, that virtually everybody engaged in manufacture, production, and distribution is a partner in the deliberate adulteration of things for the purpose of cheating the public. This has been coexistent with trade and has become recognized as one of our modern arts. The extent to which adulteration is organized can be judged by the fact that "no less than 40,000,000 pounds of fiber made from old rags, called 'shoddy,' are annually made in Yorkshire, at an estimated value of £8,000,000 sterling, and that all is used for adulterating woolen cloth."[1]

[1] Encyclopædia Britannica, Vol. I, Subj. Adulteration.

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CHAPTER II

CAPITALISM IS WASTEFUL

UNDER the system of free competition in the beginning and middle of the last century, every investor who saw a profit in refining oil or sugar, or making steel, put up a refinery or factory. The aim of every factory was to manufacture the largest amount possible and sell it at the highest price possible; and this is what Herbert Spencer [1] and the Manchester School regard as the ideal system of production. Now let us see just what happens as a result of this system of unlimited competition.

[1] "A Plea for Liberty," p. 17:

"Under our existing voluntary coöperation with its free contracts and its competition, production and distribution need no official oversight. Demand and supply, and the desire of each man to gain a living by supplying the needs of his fellows, spontaneously evolve that wonderful system whereby a great city has its food daily brought round to all doors or stored at adjacent shops; has clothing for its citizens everywhere at hand in multitudinous varieties; has its houses and furniture and fuel ready made or stocked in each locality; and has mental pabulum from halfpenny papers, hourly hawked round, to weekly shoals of novels, and less abundant books of instruction, furnished without stint for small payments. And throughout the kingdom, production as well as distribution is similarly carried on with the smallest amount of superintendence which proves efficient; while the quantities of the numerous commodities required daily in each locality are adjusted without any other agency than the pursuit of profit."

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§ 1. Getting the Market

Every manufacturer and refiner has to find purchasers for his product. This effort to find purchasers is called in the trade, "getting the market."

The expression "getting the market" covers all the expenses attending the bringing of goods to the attention of the public, and they may be roughly divided into two principal categories—advertising and commercial travellers. The public little appreciates the enormous cost which attends the work of finding a purchaser. Mr. Bradley, after a careful calculation, estimates that "somewhere between the distiller and the consumer in this country forty millions of dollars are lost; this goes primarily to the attempt to secure trade."[1] Mr. Dowe[2] the President of the Commercial Travellers' National League, testifies that 35,000 salesmen have been thrown out of employment by the organization of trusts, and 25,000 reduced to two-thirds of their previous salaries. This would represent a loss of $60,000,000 in salaries on a basis of $1200 each. He cites, as instances of trusts that have dismissed salesmen, the baking powder, bicycle, chair, paper-bag, rubber, tin-plate, steel and rod, sugar, coffee, thread and type-founders' combinations. Not only do trusts dismiss salesmen, they substitute for salesmen who, prior to the organization of the trust had been earning $4000 to $5000 a year, cheaper salesmen who receive $18 a week. He also estimates that the dismissal of commercial travellers means a loss to railways of about $250 per day, 240 days in the year; in all, $25,000,000. The loss to hotels is about as much, and

[1] Report of the Industrial Commission, pp. 829–831, Vol. I, 1900.
[2] Ibid., pp. 27–36.

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"many hotels are likely to become bankrupt if any more travellers are taken off."

§ 2. Cross Freights

Another waste attending the competitive system results from "cross freights," the double freight a refiner sometimes pays for hauling oil from the well, or sugar from the nearest seaboard and back over exactly the same ground, when refined, to the customer. So also the steel manufacturer sometimes pays freight for hauling ore to the coal mine or coal to the ore, and back, after smelting, to the customer.

This waste resulting from cross freights is only a small part of a similar waste that results from competition in the task of distribution—or retail trade.

We are all familiar with the amazing results obtained by the national enterprise known as the Post Office, and how, for the insignificant sum of two cents, a letter written in New York can be delivered in an incredibly short space of time in San Francisco, and even perhaps more incredibly in the heart of the Rocky Mountains.

Let us consider for a moment the cost of doing this were letters distributed throughout the country in the same way as our other commodities, as for example, milk, coal, or bread. It would be interesting to calculate how many hundred dealers in milk there are in New York[1] or London, equipped with their own horses, wagons, and men, each engaged in delivering milk all over the city; add to these the thousands distributing in like manner bread, and the thousands distributing coal, and so on

[1] This work has been in part eliminated by combination. But the economies resulting therefrom have all gone to the combinations. The consumer pays just as much as he did before.

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with butter, eggs, meat, fish, vegetables, and all other things that enter into our daily consumption.

Every block of houses is served with milk by this large number of milk dealers instead of by one, as would be the case if the distribution of milk were in the hands of one agency; so every block is furnished with butter, eggs, meat, fish, and vegetables by this large number of dealers in butter, eggs, meat, fish, and vegetables, instead of by one, and so on, through every article that enters into our daily use.

Compare with this the economy of time, labor, and expense effected by the Government Post Office through sorting letters beforehand according to streets, and confining the distribution in any one street to a single carrier who distributes the letters with the greatest economy of time and labor, from door to door.

No practical business man would be guilty of the stupidity of putting a hundred men to do the work that could be done just as well by a single man; and yet, this is exactly the stupidity of which the competitive system is guilty. Let us consider the unnecessary number of butcher shops in the city of New York.[1]

Before methods of communication had attained their present development, it was necessary that there should be butcher shops in every block to satisfy the needs of the people in the block. But to-day, the telephone service permits of ordering meat at a great distance, and the automobile permits of this meat being rapidly delivered to the consumer. The best housekeepers residing downtown to-day go for their meat to a butcher who lives in Harlem. Now there is no reason why this

[1] Trow's Business Directory of New York city, 1909, lists about 4000 retail butcher shops in Manhattan and The Bronx. There are about 275 postal stations in the same territory.

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Harlem butcher should not furnish all the meat to the island of Manhattan, or indeed to all in Greater New York. But there is a reason why under our competitive system this should not take place, and this is the stupidity of butchers in particular and the stupidity of the community at large. Most butchers believe that they can make most money by cheating their customers; and the public at large believe all butchers equally dishonest and therefore deal with the butcher nearest them. This stupidity is to a great extent justified. The art of the butcher consists in finding out to which customers he can sell third-class meat at first-class prices;[1] and as a rule, he is so successful in doing this that no butcher is ever known to fail. On the contrary, they all grow rich. This being the rule, the public is justified in giving up the expectation of being honestly served, so that it is only the most intelligent housewives who discover that there are butchers who do not have dishonest methods. Thus the stupidity of butchers and public tends to encourage the multiplicity of shops and keeps in the butcher business an enormously larger number than is necessary. If now we take into consideration that what is true of butchers is true of almost every dealer in the articles of food we consume, we shall appreciate how much waste of human effort there is in this business of distribution. But all this waste, encouraging stupidity in the customer and dishonesty in the retailer, is endorsed because it "makes character!"

Last but not least is the loss of by-products that inevitably results from manufacturing upon anything less than a gigantic scale.

[1] All good housekeepers know this by experience. I know it from the butchers themselves, who explained it in the course of an effort to arrange a combination of butchers in Paris.

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The managers of the Standard Oil Trust testify that among the waste products capable of being utilized in sufficiently large refineries are gasoline, paraffine, lubricating oil, vaseline, naphtha, aniline dyes, and no less than two hundred drugs; and that the total value of these waste products is actually as great as that of the oil itself.[1]

Is or is not the contention with which this chapter started, justified? It was charged that the competitive system is stupid because wasteful and disorderly, and that it was unnecessarily immoral, unjust, and cruel. The testimony of men recognized as the highest authorities has been produced to demonstrate its wastefulness:

Waste of capital owing to bankruptcy, to working at irregular efficiency, to frequent change of dimension, to cost of "getting the market," to cross freights, to anarchy of distribution, to loss of by-products;

Waste of human energy in the work of competition; and above all in unemployment leading to vagrancy and pauperism.

And we need produce no testimony to prove things so obvious as the immorality, injustice, and cruelty of overemployment and unemployment and the necessary results thereof: drunkenness, disease, pauperism, prostitution, insanity, and crime.

One word only still needs explanation: It has been stated that this immorality, injustice, and cruelty are "unnecessary." It is useless to rail at these things if they are necessary. Nature is often immoral, unjust and cruel. The survival of the few fit and the corresponding sacrifice of the many unfit has no justification in morality. Death, deformity, and disease are often both unjust and

[1] Testimony of Mr. Archbold (pp. 570–571) in the Report of the Industrial Commission, Vol. I, 1900.

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cruel. Yet against these last we are in great part helpless. It is not enough to show that the competitive system results in evil; we have to demonstrate that these evils are avoidable; and that our remedy for them will not involve still greater evils. This belongs to the final chapters on Socialism; and is referred to here only to assure the reader that it has not been overlooked.

Sufficient emphasis, however, has not yet been put upon the lack of order that characterizes the competitive system.

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CHAPTER III

CAPITALISM IS DISORDERLY

NATURE is both orderly and disorderly. She is orderly, for example, in the general succession of her seasons, in the average rainfall, the average sunshine. She is orderly in the regular drawing of water from the ocean to the hills and the return of water from the hills to the ocean. But Nature is extremely disorderly in her detail. Some years rainfall is deficient and men starve because of drouth. Other years the sunshine is insufficient and men starve because of rain. The beneficent flow of water from the hills to the ocean is attended by disorder which is often calamitous; the river swells to a torrent in one place and spreads out to unwholesome marshes in another.

The power of man to profit by the order of Nature and to adjust its disorder is an attribute that makes man almost divine; for this power exerts as great influence over the soul of man as over the matter of Nature. Man has demonstrated his control over Nature by protecting himself against deficiency of water through reservoirs, and against excess of rain through drainage; he has robbed torrents of their terrors by dykes, and made them his servants by irrigation; he drains the swamp and waters the desert. In one respect only has he failed to exercise as yet sufficient control; namely, the competitive system. The competitive system is applauded by Herbert Spencer because he finds it in Nature. But Nature

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does not proceed only upon the competitive plan. She furnishes us with the beehive and anthill as types of coöperation, from which man can not only learn a lesson, but receive a warning; for the evils that attend the co-operative plan of the beehive are almost as great as those that attend the competitive or predatory system.[1] What man then has to do is not blindly to follow Nature either as respects her competitive system or her coöperative system; but to do in this direction what he has done in others—profit by what is good and orderly in Nature and suppress what is evil and disorderly in it.

§ 1. Anarchy of Production and Distribution

The intelligent business man has been at work in suppressing the evils of the competitive system. He has found the waste and disorder attending unlimited competition so abominable that he has suppressed competition to the utmost possible by the organization of trusts. It has been pointed out that the disorder attending our production and distribution gives rise to anarchy in both these departments of industry. As long as every man is free to produce exactly what he chooses—what he thinks will benefit him, there is no rational relation between supply and demand.

(*a*) *Tyranny of the Market*

This process is going on in every industry. Capital rushes away from business where there is no profit to business where there is profit. The result is that the capitalist generally discovers a demand for an article too late to profit by it, and does not discover that there

[1] "Government," Vol. I, p. 276.

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is no demand for an article until he is ruined by the discovery. The boasted "fluidity of capital" causes it to pour from one industry to another in obedience to what is called "the market"; and of all the despotisms that the folly of man has subjected him to, none for stupidity and pitilessness approaches the market. So long as there was no large-enough combination of capital to acquire knowledge of the supply and demand that determines market price or to any extent control it, no man, however intelligent, could tell when prices were going to rise and when to fall. And although the older economists loved to dwell upon the fluidity of labor as well as upon the fluidity of capital, they failed to take account of the bankruptcy that attends the one or the appalling conditions that attend the other. For when the supply of labor is large and factories are running at low capacity; when men and women are seeking employment, and the demand for labor is small, the effect of this law is to reduce wages below the rate necessary to support life; the unemployed are then reduced to a choice between the almshouse and starvation.

This evil consequence is a matter over which isolated employers have little or no control; for the very same cause that reduces wages reduces also the price of goods. It is because the demand for goods is small that the manufacturer has to run his factory at a reduced capacity; and the demand being small, the manufacturer cannot get a remunerative price for his goods. Now the thing that reduces prices is competition, and the thing that reduces wages is competition, and the main source of every financial, commercial, and industrial disaster is competition. Employer and employee are alike subjected to the levelling principle. The moment a particular manufacture is found to be profitable, and therefore

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able to pay a high rate of wages, new factories are started and wages reduced by the competition of workingmen. The flow to this industry, therefore, of both capital and labor, inevitably reduces not only wages by the direct competition between workingmen, but also the profit out of which high wages were originally paid.

Employer, therefore, and employee are both slaves of the market; the employer cannot get more than the market price for his goods, and out of this he has to pay for his raw material, the cost of running the factory, and the wages of his men. He cannot reduce the price of raw material nor the cost of running the factory—rent, fuel, etc.; these too are determined by the market. The only thing he can reduce is wages: so he is driven to reduce wages or close his factory, for he cannot long run his factory at a loss.

And so anarchy of production and anarchy of distribution lead inevitably, as all anarchy does, to despotism—the despotism of the market.

(*b*) *Tyranny of the Trust*

Now trusts are an attempt of capital to escape from the tyranny of the market, to eliminate the waste of competition and bring order in the place of disorder by making supply proportionate to demand. The testimony of John D. Rockefeller before the Industrial Commission is illuminating on this subject. In answer to Question 9, he says that he "ascribes the success of the Standard Oil to its consistent policy to make the *volume of its business large.*" To Question 10, he says he did this "by coöperation, or what is the same thing, combination." But the necessity of keeping the volume of the business large made it indispensable to extend the market. He

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says "Dependent solely upon local business, we should have failed years ago. We were forced to extend our market and to seek for export trade." "And so," he says, "the Standard Oil spared no expense in *forcing* its products into the markets of the world."

The despotism of the market extends over the whole world. It is impossible for any one nation to organize its industry, or for the industry of any one nation to organize itself, under a world-wide competitive system, without taking into consideration the conditions of the world market. The Standard Oil could not maintain prices in competition with foreign oil. It had to carry the industrial war into Europe and Asia, and did this by eliminating competition at home; putting an end to anarchy of distribution as well as to anarchy of production; by transforming the whole system through the building of pipe lines, the use of tank cars and tank steamers, through an enormous aggregation of capital, and the use of every ingenious improvement. The Standard Oil succeeded in doing this and "receiving in return from foreign lands nearly $50,000,000 per year."

Mr. Rockefeller is an adroit witness, and carefully refrained from reference to the methods by which competition was crushed as an indispensable preliminary to what he calls the "enlargement of the business." Mr. H. O. Havemeyer, President of the Sugar Trust, was more frank. Here is his testimony on this subject in full:

Q. (By Senator Mallory) "Did I understand you to say—perhaps I may have misunderstood you a while ago—that it was your policy to make as much profit out of the consumer as you possibly could?"—*A.* "Consistent with business methods."

Q. "Consistent with business principles. In other

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words, your idea is that your organization, the American Sugar Refining Company, will, if it can, get the maximum profit out of its business from the consumer. Now, I also understood you to imply at least that it is the policy of the American Sugar Refining Company to crush out all competition if possible."—*A.* "But that is not so; there is no such testimony. I understand it has been put in that form by one of the gentlemen here, but it is not the fact. What I said was that it was the policy of the American Sugar Refining Company to maintain and protect its trade, *and if it resulted in crushing a competitor it is no concern of the American Company; if he gets in the press, that is his affair, not ours.*"

Q. "And if anyone interferes with the business, profits, or competition of the American Sugar Refining Company, it is its policy to prevent it if possible?"—*A.* "By lowering profits to defy it."

Q. "And if it results in crushing him out?"—*A.* (Interrupting) "That is his affair."

Q. "Not the affair of the American Sugar Refining Company?"—*A.* "No."

Q. "Now, suppose in the natural course of events the American Sugar Refining Company should suppress —we will not use the words 'crush out'—all competition, all opposition. I understand from your theory—business principles—that you would then seek to get out of the public and consumer the largest amount of profit consistent with your idea of business principles?"—*A.* "Precisely."

Q. "Then, if you had the power to charge or impose prices on the public, what would be your idea of the limit that the public could possibly stand?"—*A.* "I think it would stand a quarter of a cent to-day. I think we could do it for twenty cents a hundred. I think the country

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is really damaged by having a number of people in the business."

Q. "That is not an answer to my question. My question is the limit. What restraint would you put upon yourselves? What would be your restraint?"—*A.* "I call that restraint business consideration."

Q. "Would it not be the utmost limit that the consumer would bear?"—*A.* "Until we had competition we should be in that position, but whether or not we would exercise it, is quite another matter."

The very effort of Mr. Havemeyer to disown the "policy of crushing out competition" followed immediately by his admission that a trust is a "press" built for that purpose, is indicative of the capitalist's mind on the subject: At one moment he naïvely admits what a moment before he emphatically denied. The trust, then, is the organization of an industry by one or a few men strong enough to suppress competition and bleed the consumer.

The tyranny of the market has been suppressed only to substitute therefor the tyranny of the trust. And this new tyranny has for effect to enrich the trust magnate at the expense of the whole nation.

The course of industrial events beginning with the creation of guilds to suppress the anarchy of the Middle Ages; the tyranny of the guilds; the revolt against the guild; its suppression; the substitution therefor of so-called freedom of industry, of contract, of trade; the disorder or anarchy that ensued; the despotism of the market; the gradual suppression of all three freedoms in order to escape from the despotism of the market; and this suppression only preparing the way for the tyranny of the trust, is not accidental. It is a cycle through which industry had to pass till mankind found its way of escaping from the whirlpool.

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We find the same cycle in the political world. The anarchy of the horde paving the way to the despotism of the tyrant; the despotism of the tyrant creating a revolt resulting in a new anarchy leading to another despotism as bad as the last, until staggering between anarchy and despotism, men slowly evolved a system of popular government. We shall see later that popular government can never remain popular under a system of industrial anarchy or industrial despotism, and that our industrial organization must adopt a system of popular control, if popular government is ever to become in fact as well as in name, popular.

Suffice it to point out that our industrial development following a law of necessity has so far staggered like a drunken man from anarchy to despotism and from despotism to anarchy—and that we are not likely to attain order from despotism until we recognize that the competitive system, such as we now have, can never attain it; and that it can be attained only by a deliberate substitution of coöperation for competition *to the extent necessary.*

(c) *Tyranny of the Union*

Let us now consider another part of the industrial field which seems destined to be the arena of the next great development—the field of labor.

The consumer is not organized as yet; he has not waked up to the extent to which he is fleeced by the trust. But labor is organized, driven to organization by the terrible consequences of the freedom of contract[1] for which he clamored so loud in the Revolutionary period. A workingman alone, ignorant of the profits earned by

[1] Book II, Chapter IV.

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the manufacturer, ignorant of the number of workingmen applying for work, himself hungry, and with a hungry family to support, is no match for an employer with sufficient capital at his disposal, a considerable knowledge of the labor market where he can find men to replace such as ask for a higher wage than he is willing to pay, and with practically no reason to fear hunger or even discomfort for himself or for those who are dear to him.

Freedom of contract, therefore, meant for the unorganized workingman at the beginning of the nineteenth century, not freedom, but slavery. It will be later recorded how inevitably the tyranny of the market and the greed of capital combined to reduce workingmen to starvation wages and condemn women and children to degrading labor. One of two things had to happen: The whole laboring class had to be reduced to a condition of permanent slavery, or the laboring class had to combine to put an end to competition between worker and worker that left them at the mercy of the market. That men reduced to the physical condition created by the industrialism of a century ago should have had the intelligence, courage, and self-restraint to combine and act in concert until they were able to some extent to impose rates of wages upon the employers, seems to-day hardly less than miraculous, and ought to serve as a warning to capitalists that they can no longer dispute the coming political power of such workingmen, or remain indifferent to it, or even denounce it with *Outlook* intemperateness.

Mr. Eliot, President Emeritus of Harvard University, is outraged by what he regards as the tyranny of the trade union. Has he ever thought of the tyranny of the trust, or the tyranny of the market from which both inevitably spring? Has he ever understood that such a competitive system as ours can only put an end to anarchy by des-

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potism; and can only shake off despotism at the risk of anarchy?

But the subject of trusts and trade unions is too large to be treated as an incident in the discussion of the evils of the competitive system. I shall content myself, therefore, with summing up briefly the course of events through which industrial development has passed, for the light it throws upon the course through which it has still to pass:

Anarchy of industrial conditions during the Middle Ages gave rise to the guild, which for a season substituted order for disorder.

The order introduced by the guild involved regulation; regulation involves power; and wherever power is exercised free from efficient popular control, it must end in tyranny.

The tyranny of the guild aroused a revolt and the cry of freedom of trade, freedom of industry, freedom of contract; these three freedoms under the competitive system reintroduced an era of anarchy—both in production and distribution—both for the employer and the employee, subject only to the despotism of the market.

The employees undertook to put an end to competition between employees by organizing trade unions.

The employers undertook to put an end to competition between employers by organizing trusts.

So the anarchy which, under the competitive system, must result from freedom, has given rise to the tyranny of the market, and the effort to escape the tyranny of the market to two other tyrannies—of the trust and of the trade union. These two tyrannies stand to-day not only arrayed against one another, but in the bitterest conflict—in the courts, in strikes, lockouts, and ultimately on the field of politics.

One thing stands out in singular relief from the fore-

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going sketch, viz., that it is freedom—of industry, of contract, and of trade—the battle cry both of the bourgeois employer and the proletarian employee—that has led to these two tyrannies.

At the present time I believe that the confusion in the ranks not only of the employer, but of the employee, as regards this so-called freedom—a freedom tnat both are clamoring for but neither have ever attained—is responsible for the failure of both to understand one another. And the subject of freedom or liberty will therefore be discussed in a chapter to itself.

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CHAPTER IV

PROPERTY AND LIBERTY

THE savage in a savage country, free from all constraint of law, custom, or government, must, I suppose, be admitted to enjoy the greatest freedom conceivable. He is free to hunt what animals he chooses; to pick the fruits of the earth; to gather the shells by the seashore. He is free also to till any part of the land if he knows how to do it; to sow and harvest it. He is also free to rob his fellow men; to enslave them; to kill them and, if his tastes so incline, to eat them.

But such a savage, while enjoying the greatest freedom conceivable, is also exposed to the greatest risk conceivable; for example, he is exposed to the risk of having the animals he hunts taken from him by one stronger than he; if he tills the ground and reaps the harvest, he is liable to have that harvest taken from him; and though he is free to rob, enslave, kill, and eat his fellow men, his fellow men are equally free to rob, enslave, kill, and eat him.

The same thing, of course, is true of his domestic relations. He may capture any female he likes and compel her to serve as his wife; but he is liable at any time to have his wife taken from him. As regards his physical and domestic needs, therefore, while he enjoys the greatest freedom possible, he is exposed to the greatest risk also.

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§ 1. Origin of Property

It may be said for this order of things, if things can be said to have order where there is no order, that the strong men would prefer this system to one under which they would be limited as to the satisfaction of appetite, passion, and caprice. But the strongest men are liable to be subdued by a sufficient number of weaker men, as Polyphemus was subdued by Ulysses and his crew. So the strong men in the community as well as the weak, early discovered the importance of agreeing to respect each one the rights of the other in the things which through their labor they had acquired. Long, then, before there was any system of written law, our savage ancestors recognized the right of men in the product of their toil; and this recognition, whether we find it in the Ten Commandments of the Jews, or the Twelve Tables of the Romans, or in the customs of more savage races, is nothing more nor less than the institution of property.

Although this institution of property involves an abridgment of freedom—for under the property system nobody is free to rob another—nevertheless it is an abridgment of freedom by which everyone except the lazy profits; and it tends to put an end to laziness, because, under this institution of property, only those who work can eat.

It is because the institution of property is an abridgment of freedom that property and liberty are treated together in this chapter. It is impossible correctly to understand the one without the other. It will be seen later that as civilization develops and men are crowded together in a small space, it becomes indispensable to the convenience of all that freedom should be further abridged;

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and that so long as the freedom of the individual is abridged, not only for the benefit of his neighbors, but of himself, the abridgment is a good thing and not a bad. Whereas, when we find freedom being abridged to the disadvantage of the many and the advantage of a few, then it will turn out that this abridgment is a bad thing and not a good.

One feature about the abridgment of freedom it is impossible to emphasize too much: In nations in which liberty is supposed most to prevail, the abridgment of freedom is for the most part confined to matters which involve little or no sacrifice. For example, the average citizen does not find himself in the slightest degree hampered by the criminal code; he does not want to kill or rob; it is perfectly clear to him that the sacrifice he makes of his freedom to kill or rob is of no importance by the side of the enormous security he receives as regards those people who might want to kill or rob him.

Socialism has been much injured by certain fanciful writers who have suggested various abridgments of human freedom that would be altogether abominable; as for example, the undue limitation of a man's liberty to choose his wife, and to choose his occupation. And opponents of Socialism use these totally discredited suggestions as weapons with which to fight Socialism; though in fact, modern Socialism repudiates them altogether.

The institution of property, in abridging freedom, creates duties; and in furnishing security, establishes rights. Thus we say that men have a right of property in the product of their toil; a right to enjoy the cabins they have built; a right to harvest the grain they have sown. And the same thing can be said of rights and duties as has been said about the abridgment of freedom. So long as no man exacts rights of property in anything

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more than the result of his labor, so long is he only asking what is due to him.

And the institution of property in the product of men's toil is not only justified by convenience, but is also ordered by religion. It is only economic expression of the Golden Rule: "Do unto others as you would that they should do unto you;" or "I shall respect your right to the cabin you have built, as I expect you to respect my right to the cabin I have built."

Moreover, even though this were not the rule imposed by religion, it is a rule imposed by the principle of the survival of the fit. In the conflict between races, those races in which rights of property were respected were bound to prevail over those in which these rights were not respected, because respect for rights of property such as these is the only condition upon which a race can become prosperous, accumulate wealth, strength, and all the resources that enable one race successfully to fight with another. And here we see the first reconciliation between religion and science. Both teach exactly the same thing; that is to say, the Golden Rule.

In one sense the institution of property abridges freedom. In another sense it enlarges it. For if a man has not only to kill his game, but to protect it from others, he is a slave to the game he has killed until he has eaten it. Whereas if the community in which he lives has adopted the institution of property and respects it, he can leave his game unprotected, and has leisure therefore for other occupation. It will be seen ultimately that if the institution of property were confined to the product of men's toil, the increase of knowledge of the last few centuries would permit of another enormous enlargement of freedom, for it would permit of the organization of labor in such a manner that the work of securing the

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necessaries of life that now costs the savage all his time, and the workingman of to-day between eight and twelve hours of his day, need really only cost him a comparatively insignificant fraction of it. But the demonstration of this must be left until later.[1]

We have seen, therefore, that so long as property is confined to the product of men's toil, all is well. The freedom of a savage life which exposed every man to being robbed by every other man is what we call license. The freedom, on the contrary, under the institution of property which secures to men the product of their toil, we may call liberty—liberty being freedom secured by law.

"Legum omnes servi sumus, ut liberi esse possumus."[2]

However simple the idea of property of men in the product of their toil may seem to be, it has in practical life never yet been realized. There are many reasons for this.

If a community were to attempt to-day to divide its available land into tracts of just the size each one could himself cultivate, results would very soon demonstrate that such a division is a physical impossibility. Land varies much in fertility, and the amount of labor necessary to cultivate one acre of land is very different from that necessary to cultivate another acre of land. Men differ in their ability to cultivate. One lacks strength; another intelligence—indeed, some lack intelligence so much that they can never successfully cultivate their own land, and these naturally become the employees of those who can. Again, cultivation of land leaves nothing for a man to do for a part of the year, and gives him a great deal more than one man can do during the rest of the year.

[1] Book III, Chapter II.

[2] Cicero, "Pro Cluentio," sec. 53.

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It is impossible, therefore, to divide up the available land of any community into parts which will mathematically or even approximately correspond with the amount of work that each man can do during the year. Then, too, the men who render great services to the community seem entitled to larger buildings, better accommodations, more ease and comfort, more personal service than those who render no service beyond simply the day's work upon land. We find ourselves confronted immediately by the enormous difficulty that results from the inequality of land and the inequality of men, in any attempt to frame a society which will even approximately assure to every man the product of his own labor. These are inherent difficulties which no statesman can disregard.

These difficulties have been enormously increased by the selfishness, the intelligence, the violence, and the craft of men, which have been used to secure to some such large tracts of land that the majority were left without land altogether. And this system tends to be perpetuated by the natural and laudable desire of every man to leave his children after his death as well off as himself, thus creating laws regarding testacy and intestacy of a character to secure this. But the satisfaction of this laudable paternal instinct has had a bad effect upon the community; for, whereas we are all disposed to allow to every man the property which he has accumulated himself, even though this accumulation confers upon him larger wealth than his services warrant, we cannot but feel it improper that his issue, who may be altogether worthless persons, should be enabled through the success of their skilful ancestor to lead lives of idleness and even profligacy from generation to generation. We are all, for example, outraged to think that because John Jacob Astor over a century ago

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had the forethought to invest his earnings in New York real estate, his descendant, William Waldorf Astor, should to-day, though he has abjured his American nationality and thereby escapes the payment of personal taxes, nevertheless receive millions annually arising from property which has increased in value through the labor of Americans and not through any labor of his own.

Thus we find that owing to inherent physical difficulties such as the inequality of land and the inequality of men, and owing to moral difficulties some of which are reprehensible, as for example, avarice and violence; and others commendable, such as intelligence and love of offspring, notions of property have become altogether different in fact from what they are in theory. Rights of property are not confined to the product of men's toil, but cover all those things which a family has been enabled under the law to accumulate whether by good deeds or by bad. This has given rise to two well-defined classes—one very small which owns land, and the other very large which owns no land. And the fact that the small class owns land and the large one does not own it, makes the latter dependent upon the former.

Much the same thing has taken place as regards personal property. Relatively few men have secured control of the great industries of the country, and are thereby in a position to dictate who shall work at these industries, and as to the wages and conditions under which the work shall be done.

Economically, therefore, the world can be divided into two sets of people—a small set that owns the land and controls our industries; and an enormous number of people dependent upon these; that is to say, the vast majority can only work at these industries upon the conditions imposed by a relatively insignificant minority.

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The institution of property, therefore, originally destined to assure to men the product of their toil, has altogether changed in character, so that it—on the contrary—puts a very few men in a position where they can exploit the labor of the rest.

A study of property and liberty cannot be separated from a study of government, because the institution of property involves the idea of law, and of a government to enforce the law. So long as no man seeks to secure more property than the product of his labor, the amount of government necessary to enforce the law need be but small—only just enough to compel the lazy to work and to prevent them from stealing. But the moment the institution of property is extended to cover more than the product of labor, government has to be harsh; for as this perverted notion of property creates a small propertied class and a large proletariat, it is obvious that the government has to be bolstered by a powerful organization of law courts, prisons, army, and police in order to enable a very small minority to coerce a very large majority. In fact, in our ancient civilizations the propertied class consisted of either priests, soldiers, or both. In the case of the priests, it was the domination of superior intelligence over unintelligent superstition; and in the case of the soldiers, it was the domination of organized force. Now, if the small propertied class which controlled the government had governed well, or indeed had governed without grossly outraging the governed, the whole development of man might have been different. But it is not in human nature for a few men possessed of autocratic power to use that power wisely. There are exceptional periods in the history of the world when autocratic power has been used wisely; but in the long run the opportunities furnished by unlimited power to the evil

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propensities in men are certain to result in gross injustice. Such is the testimony of history.

Now if the few in the exploitation of the many had shown as much temperance and wisdom as our ranchmen show to their cattle—and this God knows is not much—the few might have enjoyed their liberty at the expense of the many for an indefinite period. But they have shown so little of either that in the State of New York our official Labor Bulletin publishes that there have been for two years past about 200,000 breadwinners unable to earn the means of subsistence, and this means —on the generally admitted average of four dependents (aged, infirm, women, and children) to every breadwinner —a million human beings on the verge of starvation for no fault of their own. And as the population of New York is about one-tenth that of the whole country, it would seem as though in this great, wealthy, prosperous nation of ours freedom spells for some ten millions of people freedom only to starve.

And as these ten millions are not cattle, but men and women with hearts and brains, armed with a vote and carefully—nay, compulsorily—educated to use this vote effectually, it does seem a little foolish to imagine that they will continue indefinitely to tolerate these conditions, if they can be changed.

So not only by the unfortunate majority, but also by some of the fortunate minority who have bowels of compassion, the question is being asked with insistence whether these conditions may not be changed and if so how.

Conspicuous among the evils that have resulted from misgovernment by the propertied class, are personal slavery and political despotism. And the history of the world may be summed up as the effort of the majority to escape from these two evils.

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One reason why men have confused ideas about liberty is that they have not carefully distinguished the various phases through which this conflict has passed; for there are three kinds of liberty, all of which are singularly interwoven one with the other and yet each of which is distinctly different from the other.

There is personal liberty; that is, freedom from physical restraint. In all civilized countries, personal liberty has been, to a large measure, secured. Slavery, except in some parts of Africa, is practically unknown, and every individual is protected from arbitrary arrest west of Russia.

Next comes political liberty, which in so-called popular governments we are supposed to enjoy; that is, we are supposed to be no longer subject to autocratic government; we are supposed each to have a voice in determining who are to govern us and what are to be the laws under which we are to be governed. It will be seen later on that this so-called political liberty is, in fact, enjoyed only by a very few people in any country of the world, though universal franchise seems to assure it to all.

Third and last, there is economic liberty; that is, freedom to earn one's living. We have seen that the lawless savage enjoys economic freedom. There is no restraint whatever upon him in procuring those things which he needs—whether food, clothing, or shelter. We have also seen that his position was immensely improved by the institution of property in the product of toil, for under this definition of property he practically enjoyed security and retained all the freedom previously enjoyed except the freedom to rob; and he enjoyed thereby a larger freedom because he did not have to keep perpetual watch over the things he had hunted or produced.

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But the moment the land was appropriated by a few men so that the majority could not work on the land except as the wage servants of the propertied class, then economic liberty came to an end; for no man can be considered economically free if he depends upon some other man not only for the means of subsistence, but for opportunity to work in order to earn the means of subsistence. This economic dependence, due to the appropriation of land by a class, results in a loss of all the other liberties; for the franchise is of no value to a man every waking hour of whose day has to be spent in earning a wage just sufficient to support himself and his family. A vote can only be effectually exercised if directed by a political education sufficient to understand the political problems of the day, and if combined with other votes in a political organization sufficient to carry out the collective will of the people. The facility with which the Republican and Democratic parties have divided the vote of the proletariat is mainly due, I think, to the fact that the proletariat is too exhausted by overwork to undertake political organization, though it is beginning now to understand the necessity for doing so.

Last, but not least, a man cannot be regarded as enjoying liberty to any appreciable extent if his actions during all the waking hours of the day are determined, not by his own free will, but by the factory bell.

And although it may be necessary to secure personal and political liberty before economic liberty can be attained, it is certain that until economic liberty be attained, neither political nor personal liberty is effectually enjoyed. This subject will be treated at greater length when we study the Political Aspect of Socialism.[1] The point which it is essential to keep clearly in mind now is

[1] Book III, Chapter III.

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that there are two notions of property, one of which is beneficent, and furnishes a maximum of security and a maximum of liberty; the other of which is unjust, and furnishes neither security nor liberty except to the privileged few. The first is the theory that men are entitled to property in the product of their labor; the second is that men are entitled to property in things which are not the product of their labor.

The most conspicuous of these things is land, which of course is not the product of any man's labor, but the gift of Nature or God to the whole race, or in America to Americans—certainly not to the Englishman, W. W. Astor, for instance. And the appropriation by a few men of all the tools of production—the factories, water power, steam power, electric power, and of the great natural monopolies such as railroads, telegraphs, telephones, tramways, gas, etc., has had just as bad a result as the appropriation of land, for it has brought about exactly the same condition—the exploitation of the many by the few. This is the point which Henry George has overlooked, and it is a failure to appreciate this fact that principally occasions the differences between Single Taxers and Socialists. Private ownership of land by a few was doubtless in its origin an act of spoliation; whereas private ownership of factories and natural monopolies was the result of the application of intelligence and labor to the organization of industry. The latter, therefore, seems relatively justifiable, whereas the first is not justifiable. But if the effect of the latter is as bad for the community as that of the former, and if there can be no escape from this system of exploitation except by readjusting property in factories as well as property in land, does it not seem evident that both must equally be faced?

At this point it may be well to point out that sound

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Socialism does not endorse such exaggeration as Proudhon's "La propriété est le vol"—"Property is theft," though there may be Socialists who do. On the contrary, the fundamental basis of sound Socialism is the distinction between property in the product of men's own toil and property in the product of other men's toil. The one is altogether just and beneficial; the other is unjust and detrimental.

Nor does Socialism fail to take into account the undoubted fact that much land and many factories represent to-day an investment of accumulated wages; and that to expropriate such land without compensation would be as unjust an act of spoliation as the seizure of land by violence or the enclosing of commons by craft.

On the contrary, Socialism recognizes that the problem of how to readjust property so as to secure to men the full product of their toil is of great difficulty and can only be solved by the application thereto of the highest deliberation and wisdom. It appeals, therefore, to those who have knowledge and those who have experience, those who have studied and those who have suffered, convinced that it is by uniting knowledge and experience and not by disuniting them that the solution can best be attained.

We are now in a position to complete what has been said on the subject of liberty.

Liberty is defined in all our dictionaries as "freedom from restraint."

But it may be truly said that there is no such thing as universal freedom from restraint. There may be indeed freedom from restraint of man by man. But we remain under restraint to Nature owing to our natural needs. That is to say, we are not free to spend our time as we wish, for our natural needs compel us to devote our time

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to securing shelter, clothing, and food. So also there may be partial freedom from the restraint of Nature; but only upon the condition of restraint of man by man, a restraint which under existing conditions bestows inordinate and generally unhappy leisure upon a few at the expense of all the rest. We have therefore to recognize two kinds of restraint:

Natural restraint due to our needs, which makes us slaves to things—shelter, clothing, and food;

Human restraint, exercised by one man over another, that puts some men under restraint to others.

Again, the kind of freedom from restraint that exists in the savage state is incompatible with two very precious things—security and leisure; and there are two kinds of insecurity, corresponding to the two kinds of restraint just mentioned:

I. Insecurity that arises from our own needs—food, shelter, clothing, etc.

II. Insecurity that arises from the needs of others—theft, slavery, despotism, etc.

The first—insecurity arising from our own needs—tends to make us slaves to things.

The second—insecurity arising from the needs of others—tends to make us slaves to people.

In the savage state or state of Nature, this insecurity is at a maximum. A savage is a slave to his needs to such an extent that in any climate save the tropics, he has to devote all his time to satisfying them. And he is liable to be robbed or reduced to slavery by men stronger than he.

It was to rescue himself from this insecurity that man created the institution of property—of priceless value, it assured to men the product of their labor and did not encourage one man to exploit the labor of another. And

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for the same purpose man instituted law; that is, the power for enforcing these rules—both also of priceless value so long as they furnished security and the leisure that results therefrom.

It was inevitable, however, that, owing to inequalities of men and of things, the very system instituted to give security, liberty, and leisure to all, should end by giving security, liberty, and leisure to a few at the expense of the many.

Property, therefore, came to include two very different principles:

I. That men should securely enjoy the product of their toil. This is believed by Socialists to be the desirable principle of property.

II. That a few should without any toil enjoy the products of the toil of the majority. This is the principle of property that actually prevails to-day.

Now the bourgeois claims that the first or desirable principle of property is unattainable and that the second is the only practical system. This is the whole question we have to discuss.

I think that if we carefully reduce to its simplest terms the effort of civilization to make men happy it will be found to be this:

It seeks to rescue men from the two restraints under which they labor in a savage state:

Natural restraint due to our needs, i.e., shelter, clothing, food, etc.

Human restraint due to the needs of others, i.e., theft, violence, slavery, despotism, etc.

In other words, it seeks to secure for men *Liberty,* which, properly understood, is emancipation from these two restraints. And the blessings that ought to follow such liberty as this are two-fold: Security and leisure. So

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that liberty, security, and leisure may be described as the Trinity of human happiness; and all the more justly because just as it is from the First Person of the Holy Trinity that the other Two emerge, so it is from liberty that we get security and leisure.

The real issue between the bourgeois and the Socialist is then reduced to the following:

Can security, liberty, and leisure be enjoyed only by a few at the expense of the many? Or can they be enjoyed equally by all?

I am glad in this connection to use the word "enjoyed," because this word assumes—as indeed the whole bourgeois philosophy assumes—that the few not only have security, liberty, and leisure, but that they "enjoy" them; whereas I think it can be demonstrated that only the worthless few have leisure and that they do not enjoy it, and that neither the industrious nor the worthless have liberty or security at all. In other words, the few in grasping at these things at the expense of the many *enjoy* none of them because of the hard fact of human solidarity, which will drive them at last to reconsider all these things. But this belongs to the subject of Solidarity and cannot therefore be elaborated in this chapter.

The essential thing to be kept in mind is that the only liberty worth having is one that will rescue us from *both* kinds of restraints—natural and human; that it is quite useless to throw off human restraint and fall back into the condition of natural slavery which seems to be the policy of the anarchist; nor is it of any advantage to escape from natural slavery only to become a prey to human despotism or exploitation, according to the creed of the bourgeois. Socialism is the *juste milieu* between Let-alone-ism on the one hand and Anarchism on the

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other. Liberty, to be worth having, must secure the greatest emancipation from *both* restraints possible.

If we apply this notion of liberty to existing conditions, I think we shall come to the following conclusion:

From natural slavery created by men's needs it was impossible for the race to escape, except by the system which actually prevails—of making the unwealthy majority work for the wealthy few. This results in pauperism, prostitution, and crime.

Slavery to Nature in a natural or savage state practically condemns savages to devote their whole time to procuring the necessaries of life, and to protecting these things, once procured, from the spoliation of their neighbors. A great stride in the progress of humanity was made when savages began each to respect the product of the other's toil. And if this system could have prevailed, our late advance in science and our consequent control of Nature would secure us two priceless advantages: one, security from spoilation; the other, an organization of labor that would reduce the hours every man would have to spend in procuring the necessaries and comforts of life to a very small fraction of the working day. The results in leisure that would accrue under a coöperative system will be explained later;[1] but at this point it seems only necessary to indicate that if a man need devote only three or four hours during the working days of his life to satisfying his needs, he would have most of his waking hours to devote to social service, literature, art, music, or amusement, to an understanding of his political and economic problems, and to the political organization necessary to secure popular control over government for the first time in the history of the world. Every reform movement in New York has failed because

[1] Book III, Chapter V. Economic Aspect.

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men who wanted reform did not have the leisure to give to it; and the reform movement was therefore left to those who devoted their whole time to it in order to share the plunder on the day of victory. In other words, every reform movement if successful resulted in a political machine animated by selfish motives and therefore as bad as other political machines similarly animated. When every man has time to protect his business interests in the government; when these business interests are not hostile to the general welfare, but coincide with it; and when politics is the business of every man instead of being as now the business of a few professional politicians, then for the first time this world will see a veritable democracy.

Liberty, security, and leisure seem to me altogether the most important things that we can attain through a correct understanding of property. But owing to false notions of property created by the few who have acquired all the property at the expense of their fellow-citizens, there have arisen artificial conditions which have created what may be called artificial slavery; that is to say, personal dependence, political dependence, and economic dependence. Of these three the last is the most important because, in consequence of it, neither personal nor political independence is effectually enjoyed. That these three forms of dependence are unnecessary and are due to false notions of property which can be slowly eradicated, is the belief of the Socialist. It is also his belief that the very changes that will put an end to these three forms of dependence will also set up true notions of property instead of false, and thereby secure the priceless benefits of liberty and security on the one hand and of leisure on the other.

In other words, Socialism proposes not to abolish

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property, but to reinstate it; to relieve the rich from the insecurity and hatred to which they are now exposed; to rescue them from slavery to wealth and *ennui*; to confer upon them the immense consolation of knowing that what they enjoy is at the expense of no one; that it commits none to pauperism, prostitution, or crime; that it is earned by social service, the only service worth doing; that the consideration they enjoy is due to their own merits and not to inherited or ill-gotten wealth; and to accomplish this by securing to all men the product of their toil; by restoring property to the consideration to which it is entitled; by furnishing to every man the maximum of liberty, security, and leisure.

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CHAPTER V

THE RESULTS OF PROPERTY

Not only did Proudhon make a great mistake in condemning all property, but some Socialists still make the same mistake; for property even in its worst form has rendered humanity an indispensable service. It is the cocoon which the human chrysalis has instinctively wound around itself for protection while it is changing from a lower to a higher stage of development.

For example, property even in its worst form—that is, property that puts one man in a position to exploit the labor of another man—has encouraged the intelligent and industrious to accumulate wealth; and the accumulation of wealth makes economic development possible; for if a man produced no more than was necessary for the support of himself and his family, there would be no surplus out of which to support those engaged in the development of national resources—for example, the building of roads, the building of railroads, the building of factories, the exploitation of mines. Every progressing nation has got to have two totally different resources—the resources necessary to support that part of the population which is engaged in production and distribution—that is, in keeping the community alive; and the resources accumulated for supporting those who are developing the country; for example, the building of roads, etc. Obviously, therefore, it is indispensable that more be

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produced every year than is necessary for the support of those engaged in production and distribution; enough must be produced to support also those engaged in building roads, factories, etc.

Indeed little can be done in developing a country until a certain amount of commodities has been accumulated for this purpose. Now the accumulated resources applicable to development form what is called capital—which, in the hands of a few persons, permits of those few exploiting the rest; but in the hands of the producers themselves, will permit of a better development without the evil results of exploitation. It is alleged by opponents of Socialists that Socialism proposes to abolish wealth or capital. It is inconceivable that men supposed to be educated—such as Roosevelt, Taft, Bryan—should be so ignorant in a matter concerning which it is their peculiar duty to be informed. No cabinet minister in England, Germany, or France would be capable of such a mistake.[1] In Europe statesmen take the trouble to study Socialism and thus avoid making themselves ridiculous by such a blunder as believing that Socialism proposes to destroy or abolish wealth. Far from wishing to abolish wealth, Socialism seeks to enhance it—to consecrate it—to put it beyond the reach of private avarice or public discontent. How they expect to do this will be explained later. Meanwhile, it is important to keep clearly in mind the fact that it is not wealth that Socialists denounce, but the present distribution of wealth. This explains why well-informed Socialists are the first to recognize the beneficent rôle which the institution of private property even in its worst form has played in stimulating accumulation.

[1] Since writing this I see that Jaurès makes exactly the same observation in *Van Norden's Magazine*, August, 1909.

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Here again, whether property was instituted for the deliberate purpose of stimulating accumulation or not, we see once more evolution favoring the survival of those nations who did accumulate at the expense of those who did not. In a conflict between two tribes, it was the tribe provided with the larger store of good weapons and food that must eventually prevail over the tribe less well provided with these. And so evolution has pushed men in the direction of accumulating wealth because it destroyed those tribes which did not accumulate it and allowed the survival only of those who did.

This accumulation of wealth involved two qualities of predominating importance in human development, the exercise of forethought and self-restraint. If we compare man with the lower animals we find that there are no qualities in which he differs more from them than in these two. Man is capable of deliberate self-restraint. And the nations most capable of forethought and self-restraint have prevailed over nations which have been less capable of these. Here again, it may be incidentally pointed out that in no respect was the institution of property more important to human development than in the recognition of the kind of property which a man originally had in his wife and children; and the more the domestic relations created by this property required exercise of self-restraint, the more the nations having these institutions prevailed over those which did not have them.

The systematic survival first of patriarchal tribes over metronymic tribes,[1] and secondly, of monogamous tribes

[1] The metronymic tribes were tribes in which there was practically no paternal relation. The mother was the head of the family and the offspring took her name. This condition of things prevailed for some time in ancient Egypt.

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over polygamous tribes, is an unanswerable argument in favor of marriage, of which no well-informed Socialist fails to take account—Mr. Roosevelt to the contrary notwithstanding. The Socialist party is to be judged by its platform and not by extracts of isolated writers who have no more right to bind the whole Socialist party on the subject of marriage, than an isolated Republican or Democrat would have to bind the Republican or Democratic parties respectively. Of course, property of a man in his wife long ago ceased to exist in civilized countries; it has played its part in its time, but disappeared before a more humane, intelligent, and just understanding of the relations of man to his wife. In the same way, the right of property of one man in the labor of another will also yield to a more intelligent and wise understanding of the right of property.

The institution of property performs one other function in society of inestimable importance. Early civilizations such as those of Greece and Rome, dominated by families who claimed descent from the gods, created an aristocracy of birth which, because it was exclusive, tended inevitably to become tyrannical. As, however, rights of property became more and more recognized, the aristocracy found itself confronted by a population that had accumulated wealth indispensable to the maintenance of the state. Men too who had accumulated this wealth had done so by the use of their brains, industry, forethought, and self-restraint. They constituted a group with which the aristocracy of birth had first to parley and to which it had eventually to succumb. It is true that this group of the aristocracy of wealth, which succeeded the aristocracy of birth, in one sense only replaced one set of rulers by another. But the transfer of power to the aristocracy of wealth was almost always

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effected through the support of the people, and was almost always attended by some concession of political control to the people. So that on the whole, the tendency has been for every transfer of political power from the aristocracy of birth to the aristocracy of wealth to include some element of popular representation until slowly through the gradual substitution of the bourgeoisie for the king, noble, and priest, the people has secured the priceless boon of the franchise which it has not yet learned to use.[1]

§ 1. The Guild

Now that we have given full credit to the rôle which property has played in the world, let us consider some of its results. In the first place, let us eliminate a prevailing error. We frequently read in Socialist books that the competitive system is the necessary result of the institution of private property. This is not altogether true: Obviously, the institution of property has connected with it the notion that as long as men are protected in the product of their labor, every man is bound to labor enough to support himself; and if he does not so labor, he must suffer the natural consequences. Under this system, every man is at liberty to labor in whatever occupation he chooses, to produce as much as he can, and to get the best price he can for what he produces. No attempt will be made here to describe the abominable consequences of this system prior to the Middle Ages. The history of the industrial struggle prior to the Middle Ages is still obscure and complicated. But the Crusades in the eleventh century withdrew from Europe the most

[1] This is elaborated in "Government or Human Evolution," Vol. II, p. 96.

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turbulent of its oppressing nobility and the most servile of its religious subjects. The result was to give to the less servile craftsmen an opportunity to organize themselves against the noble and the priest in defence of their common craft. So we find all over Europe an immense development of guilds or corporations organized by the respective crafts or industries, primarily for self-defence, and secondarily, for the organization and regulation of labor therein. The story of these guilds has been too often written to make it necessary to repeat it here.[1] I shall content myself therefore with pointing out that these guilds did for a season exercise an extraordinarily beneficial effect, not only on industry, but on government. The guilds were composed not only of employers, but also employees, and thus stand out in marked contrast to trade unions. In many respects, however, they were similar to trade unions. Thus they had benefit funds in case of sickness and death; and they were animated by a sense of solidarity similar to that which animates the trade unions. But the fact that the guild included employer as well as employee gave it also different and important functions. Every guild at the outset was inspired by a sense of self-respect as well as of solidarity. It was a matter of pride with them that the guild should furnish no goods not up to standard. The guild therefore early established elaborate rules fixing standards and prices so that no man could charge a high price for a low standard of goods, nor could he compete with others in the same guild by offering a high standard of goods for a lower price than that determined by the guild. The guild protected the public from poor workmanship and the worker from competition. Moreover, competition was still further eliminated by the fact that no man could

[1] "Government or Human Evolution," Vol. II, p. 102.

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engage in any craft or trade unless he belonged to the guild organized to defend and protect the trade; and as the guild became a part of the municipal government and indeed at certain periods controlled the municipal government altogether, the guild was in a position to enforce this rule.

There are many features in the guild system which would be usefully borrowed in a coöperative commonwealth. But the guild system broke down because every guild was concerned with its own interests irrespective of the interests of the whole community. Every guild therefore became a class corporation which sought to use the guild for purely selfish purposes. Entrance to the guild was confined to members of the families of those controlling the guild; and no provision was made for the thousands and hundreds of thousands who, because they could not get admission to a guild and could find no work to do upon the land, were left to wander as vagrants through the streets and highways with no alternative save to steal or starve. In other words, the vagrant of the Middle Ages included the unemployed of to-day. Again, those who controlled the guild sought by limiting the number of its members to create a privileged society from which they could derive wealth without labor. Thus the whole business of killing and selling meat was at one time in Paris confined to twenty persons. These persons did not themselves engage in the business, but they sublet their respective monopolies to others, and thus constituted an idle aristocracy.

The abuses which attended the guild system became so intolerable that in 1776, the very year when we in America were setting forth our political rights in the Declaration of Independence, King Louis XVI proclaimed the economic rights of the workingmen in France

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in one of the most extraordinary documents to be found in history.[1] If we could get this Republic of America to promulgate and to put into operation the principles set forth in this decree of an absolute king in 1776, we should secure all that the Socialist party of to-day demands; that is to say, the right secured by law to men, not only to work, but to enjoy the full product of their work. But civilization had not yet advanced far enough to understand the full import of this decree, and the guilds were too powerful at that time to permit of its execution. The Parlement de Paris flatly refused to register the edict. The king tried to execute the edict notwithstanding the refusal by the Paris Parlement; but the attempt created such disorder that in the same year the edict was abrogated. No attempt was made to execute this decree in the provinces whatever. Meanwhile, however, two forces were at work that were destined to break up the tyranny of the guilds. One was the discovery of steam, which put an end to home industry and subjected workmen to the conditions imposed by the owner of the factory. The other was the growing upheaval of the Tiers Etat, or popular branch of the government, which resulted in the French Revolution.

The French Revolution has been a good deal too much confined by historians to the political upheaval of the people against the noble, the priest, and the king. Attention has not been sufficiently attracted to the fact that it was at the same time a revolt against the economic tyranny of the corporation or the guild. The cry of liberty which ushered in the French Revolution was not confined to political liberty. It was extended to liberty of industry —liberty of trade—liberty of contract. In other words, what Rousseau did for political emancipation with his

[1] Translation, see Appendix, p. 422.

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theory of social contract, de Quesnay did for economic emancipation with his doctrine of *laissez faire*, a doctrine which prepared the way for the political economy of Adam Smith and that of the Manchester School.

The essential principle preached by de Quesnay and later by Adam Smith and Herbert Spencer, is that every man must in his efforts to support himself and accumulate wealth be "let alone!"

It is of the utmost interest that this policy of *laissez faire* was inaugurated under the cry of liberty and is still supported on the ground of liberty. When we see the evil consequences of this kind of liberty we shall feel like crying with Madame Roland when she saw the guillotine doing its grim work on the Place de la Grêve:

"O liberty, what crimes are committed in thy name!"

And here we shall appreciate the importance of having clear ideas as to what liberty is and of therefore being able to distinguish false notions of liberty from true.

If leaving to every man absolute liberty as to what he is to produce, how he is to produce, and what he shall charge for it, would result in the most orderly and therefore economical system of production and distribution; if it were to secure to every man work in the first place, and the product of his work in the second place, then it would be justified. But if it produces none of these things, but on the contrary, produces the greatest conceivable disorder and therefore greatest possible waste; if it not only fails to assure to men the product of their work, but even fails to give as many as one-third of those engaged in industry any chance of working at all, as at present, so that hundreds of thousands and even millions are at this time of writing not only without work, but actually on the verge of starvation—and if this system

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not only causes injustice and misery to all these millions, but does not even make the few who profit by it happy—if the tendency is also to make them immoral—if instead of promoting liberty, it—on the contrary—makes slaves of all, not only of employees but also of employers, so that neither is free to be generous or just to the other and both are skirting ruin—the employer in the shape of bankruptcy, and the employee in the shape of unemployment; and last but not least, if this system is stupid—of all the stupid systems conceivable the most stupid—and I have been able to call as witnesses to this assertion the admittedly ablest business men now living in America, what shall we shrewd, practical Americans have to say in defence of it?

But we have still two important results of the competitive system to consider—the trade union and the trust; not only for the evils that attend them, but for the inevitable conflict to which they give rise. The issue of this conflict is the real political issue of the day. All the political parties save only one are seeking to ignore it; but they cannot. It will end by either reforming or destroying them. To this question too much attention cannot be given, for upon it depends the survival of civilization itself.

§ 2. Trade Unions

The attempt has already been made to show that the organization of trade unions and trusts was not due to accident, but was the necessary and inevitable consequence of the freedom of contract, freedom of industry, and freedom of trade inaugurated by the French Revolution. These three so-called freedoms are a sentimental way of describing the competitive system, and as a matter of

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fact, not only make real freedom impossible, but pave the way for despotism—the despotism of the market in the first place and the despotism of the trade union and trust, to which the despotism of the market inevitably leads.

The illusion contained in the words "freedom of contract" is well demonstrated in the history of the trade union, for if the employee is to be free to make such contracts as he chooses, he is not only free as regards the contracts he chooses to make with his employer, but also as regards the contracts he chooses to make with his fellow employee. And amongst the contracts that he is free to make with his fellow employee is the contract not to work for his employer except under certain agreed conditions. In other words, the trade union is simply an expression of freedom of contract between employee and employee. But to what does this freedom of contract between employee and employee lead? It leads to a suppression of the freedom of contract, for it is an agreement not to work with the employee except under conditions imposed by the trade union. Freedom of contract, therefore, so far as the employee is concerned, under the competitive system compels employees to abandon freedom of contract.

This may seem paradoxical until we understand the real significance of it. Man stands between two alternatives—the unlimited freedom and insecurity of savagery and the limited freedom and security of civilization. This has been developed in the chapter on Property and Liberty and receives interesting confirmation in the history of trade unions, which has been too often and too well told to make it necessary to repeat it here. Suffice it to point out that all historians of the trade union movement record the fact that at the very time when employers were shouting for freedom of con-

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tract they passed laws denying freedom of contract to workingmen.[1] But the very effort of the employers to prevent employees from combining with one another reduced wages to so low a level and brought about so wicked an exploitation of women and children and such unsanitary conditions of the whole working population, that a parliament of employers was as a matter of national defence compelled to restore to workingmen the right to agree to abandon freedom of contract.

It may appear to the unsophisticated that for a workingman to endeavor to escape from the tyranny of the employer by subjecting himself to the tyranny of the trade union is but a jump from the frying-pan into the fire. But such a conclusion would display woeful ignorance as to the whole trend of human development; that is to say, from involuntary subjection to a power over which we have no control, to voluntary subjection to a power over which we have control. This is the history of the development of all popular government. Reactionaries are disposed to dwell on what they call the tyranny of the majority and compare it unfavorably with the beneficent despotism of a Henri IV. They, however, ignore the very material fact that an absolute monarchy represents an involuntary servitude over which the subject has no control; whereas the tyranny of a majority represents a voluntary subjection to authority over which we have control. It may be and undoubtedly is true that control over government even under popular forms of government is small and ineffectual; but I hope to make it clear in the chapter on the Political Aspect of Socialism [2] that the ineffectualness of our control over government is due

[1] Article 414 of the French Penal Code and Law of 1799 of the British Parliament.

[2] Book III, Chapter III.

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to the competitive system and that under a coöperative system our control over government would be effectual; and that it is only under a coöperative commonwealth that the ideal democracy can be realized.

The development of trade unionism throws also a great light on the fact of human solidarity. Socialists are often accused of being theoretical and the bourgeois is disposed to regard human solidarity as a theory. But in the growth of trade unionism it will be observed that solidarity presents itself as a rock upon which the competitive system must ultimately be wrecked. The capitalist class expressed its wish in the law of 1799, which was a law of oppression; but the inconvenient fact that women cannot be worked like beasts of burden under ground without arousing the sympathies even of the capitalist class; that little children cannot be made to suffer and to starve without reaching the hearts of the whole nation, and that cholera bred in unsanitary dwellings will find its way to the doors of the rich, forced this same capitalist class to abrogate the law of 1799; to abandon the policy of oppression in consideration of its own best interests.

So combinations amongst employees have grown in strength in spite of all the power of capital—political and industrial. This progress was inevitable. Given freedom of contract, or in other words, the competitive system; given some intelligence on the part of some of the proletariat; and some compassion in the hearts of some employers, and trade unions had to develop and grow in strength.

But now that they have developed and grown in strength—now that they can be said to have reached what seems to be maturity, let us consider how much good they have done. Let us discuss the unsolved and what I

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believe to be the insoluble problems that result from trade unionism.

Before entering into this subject, let me say that if I do not discuss here the merits of trade unionism it is not because I am not aware of them; but rather because in this work on Socialism, which I desire to make as concise as possible, it is not the merits of trade unionism which it is important to emphasize, but their demerits. Although the intelligence, order, and self-restraint displayed in the trade union movement must be to the eternal credit of the workingman, nevertheless all his efforts, however intelligent, however orderly, however sacrificing, have failed to solve the problem of the conflict between labor and capital. It is obviously wiser for the workingman to seek salvation where it is to be found than by clinging exclusively to trade unionism to abandon salvation altogether. Trade unionism, I cannot emphasize it too much—was and is still a necessary step in the development and education of the workingman; but it is only a step, and nothing demonstrates the inadequacy of trade unionism better than the conditions of unemployment that have existed during the last two years not only in the United States of America, but almost throughout the entire civilized world. It must not be supposed, however, that because trade unions are believed to have created new evils almost as intolerable as those they were organized to suppress, that trade unions are to be looked upon with disfavor. On the contrary, the whole argument of this book proceeds upon the self-evident fact that trade unions have performed a necessary function and are bound to perform a necessary function in the community until the trade union realizes its ideal, but that a realization of this ideal is impossible under the competitive system. In other words, the attempt will be

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made not only to demonstrate that trade unions have, under the competitive system, failed and must continue to fail to accomplish the work they set out to do, but that under the coöperative system they can and will attain their ideal—they can and will perform exactly what they started out to do. However much, therefore, our argument may demonstrate the failure of trade unions under existing conditions, it only leads to the triumph of trade unions under coöperative conditions. What the trade union has failed to do under competition, it can and will accomplish under a coöperative commonwealth.

The argument of this book, therefore, is not to abandon trade unions, but, on the contrary, to appeal to the unorganized employee to join the trade union in order to strengthen it industrially; and on the other hand to appeal to all employees, organized or unorganized, to combine politically for the purpose of securing by franchise what they never can accomplish by the strike.

The moral then to be drawn from the following pages is not that trade unions have come to an end of their usefulness, but that whereas their task in the past has been to check exploitation, their rôle in the future will be to put an end to it altogether.

§ 3. The Unsolved and Insoluble Problems of Trade Unionism

John Mitchell in his book "Organized Labor" has very properly stated that "the ideal of Trade Unionism is to combine in one organization *all* the men employed, or capable of being employed, at a given trade, and to demand and secure for each and *all* of them a definite minimum standard of wages, hours and conditions of

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work;"[1] and the principle of Trade Unionism is also well described as "the *absolute and complete prohibition* of contracts between employers and individual men."[2] In other words, the object of the Trade Union is to put an end to competition between employees in order to substitute what is called "collective bargaining," which, if complete, would put the employer at the mercy of the employee, for individual bargaining, which on the contrary puts the employee at the mercy of the employer.

The above is stated in other words in the Report of the Industrial Commission:[3]

"The union is conceived as a means of bettering the condition of its members by united action. If this action is to be thoroughly effective, it must be taken by or on behalf of *all the members of the craft.* It is by the establishment of an *absolute monopoly of labor power* and to ameliorate the conditions under which it is sold and used."

Now the inherent and necessary defect of trade unionism under the competitive system is to be found in the words I have italicized in the above extract. If the trade union could be a "real monopoly of labor," it could dictate terms to the employer; but it must not be forgotten that, with the employer, it would remain subject to the conditions created by the market. The very fact, however, that all relations between labor and capital are determined by the conditions of the market makes it impossible and will always make it impossible for the trade union to attain its ideal; that is to say, to constitute an absolute monopoly of labor power, to bind in one organization *all* the men employed, to secure the absolute and complete prohibition of contracts between

[1] "Organized Labor." By John Mitchell, p. 4.

[2] Ibid., p. 3.

[3] Report of the Industrial Commission, 1901, Vol. XVII, page l.

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employers and individual men, to demand and secure for each and *all* of them a definite minimum standard of labor, wages, and conditions of work. This is the crux of the whole question.

It has taken over a century of organization on the part of the employer and employee, of conflict between the two, of bankruptcy for the employer and of misery for the employee, to demonstrate that the ideal of trade unionism has not been and can never, so long as the competitive system persists, be attained. The trade unionist will answer that even though it be impossible to attain the ideal, trade unions have accomplished much and can accomplish more for the wage-earning class. To this it may be fairly answered that whatever trade unions have in fact accomplished has been accomplished only at a ruinous price—that the price they must continue to pay for this accomplishment will continue to be ruinous and insufferable until either by the revolt of the discontented as predicted by Karl Marx, or by the awakening conscience of the whole community, as has already to a limited degree taken place, the betterment aimed at by the trade unionist will be attained and maintained without the payment of the awful toll now exacted by the competitive system.

It is probable that both employers and employees, during a century's struggle, have failed to take proper account of the extent to which both were hampered by the exigencies of the market. The blindness of both to this fact was perhaps due to the expansion of trade both in England and America during most of the century; this expansion being due to the development of the country in the United States and, in England, to the conquests of new markets and colonies. So long as expansion continued, trade unionists could insist upon

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increasing wages out of increasing prices, and the success which attended trade unions in raising wages during a large part of the century, brought about a false idea that there was no limit to the extent to which trade unions could by organization increase their share in the profits of industry. Unfortunately, the era of expansion could not last forever, and it was not until the lockout of the engineers in 1898–1899 that the British trade unionists began to discover how narrow were the limits within which they could improve conditions.

Until 1897 the employees had on an average the best of it. In 1893 no less than 63 per cent of strikes were decided in favor of the employees. In 1896 again the proportion of working people involved in disputes settled in their favor was greater than in any of the previous years since 1892 with the exception of 1893; and it may be interesting to note that during this year there was a lower percentage of unemployed than during any year since 1890.[1] It is not surprising, therefore, that trade unionists were convinced that there was no limit to the extent to which they might increase their share in the profits of industry. In 1897, however, the condition of the steel industry in England became such that the employers could no longer comply with the exactions of the trade unionists. In 1895 American manufacturers for the first time attempted to export their steel to other lands,[2] and their exports grew to $121,913,548 in 1900 and to $183,982,182 in 1908.[3]

In the presence of American as well as German com-

[1] Bulletin of the Dept. of Labor, 1898, pp. 714–717.

[2] Andrew Carnegie's article on the Steel Industry in the Encyclopedia Americana, Vol. XIV.

[3] Statistical Abstract, 1908, p. 445.

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petition, the pressure of the market was such that the employers felt they must either break the power of the union or go out of business. They therefore locked out the engineers in July, 1897, and the lockout lasted until January, 1898, when the union was obliged to abandon all its contentions. This lockout is the turning point in the history of trade unionism in England. Up to that time, the idea that workingmen could be induced to abandon the parties to which they belong in order to organize a party of their own was never seriously taken into consideration at their conventions, and resolutions in favor of Socialism were overwhelmingly voted down. But as soon as the power of the engineers—the strongest union in England—was broken in 1897 we find trade union conventions entertaining the idea of political organization and resolutions in favor of Socialism receiving careful consideration.

The history of trade unionism in America has not as yet resulted in any such definite climax as this; but what foreign competition has compelled English employers to do a combination of employers in the Steel Trust has done for the steel workers in America. In other words, the trade union has to face one of two alternatives: either foreign competition is bound ultimately to compel the employer to destroy the union; or in the absence of foreign competition owing to a high protective tariff, a combination of employers will do for their own benefit what competition compelled British employers to do as a condition of survival.

If we turn from the history to the nature of trade unions it will be seen that what has happened must have happened. As has been stated, all agree that the ideal of trade unionism is to unite all the workers in one trade so as to substitute collective bargaining for in-

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dividual bargaining. Unfortunately by the very nature of things such a combination is impossible. It is impossible to read any work on trade unions, whether it emanates from the government, or from employers, or from employees, without being struck by the fact that trade unions seek to be comprehensive, to include all the members in the trade on the one hand, while on the other hand there is a perpetual pressure upon them to be exclusive. For example, we find locals charging heavy initiation fees of a character to keep out members, for instance the longshoremen, the garment workers, glass workers; and it may be "stated as a general rule that when a union does succeed in establishing a monopoly against employers it is exceedingly likely to go on, if it feels strong enough, to establish a monopoly against the employees." [1]

It is perfectly true that this tendency is frowned upon by the trade unionists at large; but the reason for this is that every union which tries to be exclusive cultivates a crop of non-unionists who constitute a menace to the union.

A better illustration of the quandary in which unionists find themselves between the importance of being comprehensive in the one hand and the importance of being exclusive on the other, is found in their attitude towards boy labor.

Modern conditions have made apprenticeship practically obsolete, and yet many national organizations endeavor to maintain the practice with a view to preventing too great a supply of skilled workers in the trade. The limit generally fixed by national organizations is 1 to 10, though some, such as pressmen, trunk and bag workers, flint glass workers, allow 1 to 4. Lithographers

[1] Report of the Industrial Commission, 1901, Vol. XVII, p. l.

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allow 1 to 5.[1] "It is obvious," says the Report of the Industrial Commission, "that the chief motive which influences the unions in the shaping of their apprenticeship rules is the desire to maintain their wages, by diminishing competition within the trades."[2]

It is true that many unions in controlling apprenticeship are animated by a much higher purpose; that is to say, to provide that when a boy undertakes to learn a trade he shall have a chance to learn it.

John Mitchell in his book[3] claims that the restriction of admission of apprentices in the United States is negligibly small, and yet deplores the fact that "the great mass of youths to-day receive little or no training in their particular trade as a result of the breakdown of the apprenticeship system." In his opinion the solution to the problem is not to be found in apprenticeship, but in industrial schools; yet he deplores the hostility of graduates of trade schools to trade unions, without apparently recognizing that this hostility is due to the hostility first evinced by unions to trade schools. But let us turn from conflicting opinions and look the facts in the face.

When a unionist approaches the age of forty years, he is confronted by the fact that he cannot rival in speed and efficiency the work of a young graduate of an industrial school. He looks forward to the time when his place will be taken by the graduate of the industrial school. He is very naturally therefore hostile to the industrial school and the graduate of the industrial school is for the same reason hostile to him. And here we come to the real difficulty: When a trade union fails to include

[1] Report of the Industrial Commission, 1901, Vol. XVII, p. lii.

[2] Ibid., p. liii, 1901.

[3] "Organized Labor," Chapter XXX.

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all the members in the trade, it does *not* succeed in eliminating competition between workingmen. On the contrary, it begins by creating two hostile classes of workingmen: Those within the union and those without—classes which bitterly hate one another because they are both fighting for the same job. But they do more than this: They create competition within the trade union because by insisting upon high wages and short hours they are making it impossible for the employer to utilize the service of any but the most efficient. John Mitchell himself points this out. In resisting the charge that trade unions tend to level down, he says: "If there is a levelling at all in the trade union world, it is a levelling up and not a levelling down. The only levelling which the trade union does is *the elimination of men who are below a certain fixed standard of efficiency.*"[1] He further expresses it in another passage:[2] "Trade unionism tends to improve workmen not only directly, through an increase in wages and a reduction in hours, but it attains the same end in an indirect manner. The general policy of trade unionism, as has been explained before, is the establishment of a minimum wage, safeguarding, as a rule, the right of the employer to discharge for proved inefficiency. The result of this is the gradual creation of a dead line of a standard of efficiency, to which all who work must attain. Where there is a minimum wage of four dollars a day, the workman can no longer choose to do only three dollars' worth of work and be paid accordingly, but he must earn four dollars, *or else cease from work*, at least in that particular trade, locality, or establishment. The consciousness that he may be employed for a varying wage permits many a man to give way to his natural idleness and carelessness, whereas the maintenance of a rigid standard

[1] "Organized Labor," p. 240. [2] Ibid., p. 163.

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causes a rapid and steady improvement. The minimum wage acts upon the workman as the school examination upon the child. If a child falls, by however small a margin, below the standard set by the school, he fails of promotion, and the stimulus which is strong in the case of a school child is infinitely more intense in that of a worker with a family dependent upon him. The principle of the survival of the fittest through union regulations works out slowly and unevenly; nevertheless its general effect is towards a steady and continuous progress of workingmen to a permanently higher standard of efficiency."[1]

There is one point upon which the author is silent—yet it is the point which enormously interests the workingman at large: this is that while trade unionism guarantees high wages and short hours to the efficient, it throws out of the trade altogether those workingmen who do not attain a high standard of efficiency or who, having attained it, fall back from it owing to overwork, sickness, or old age.

There is, therefore, a perpetual struggle going on in the trade unions, not only between members and non-members, but even amongst the members of the union itself, in view of the fact that diminished efficiency must eventually lead to the weeding out of the inefficient. In periods of industrial depression such as we have just passed through it is obvious that the most inefficient are the first to be dismissed, and being the most inefficient, they are the ones least able to find employment in other industries.

Under the title of Unemployment, the extent of this evil has been pointed out; it must not be lost sight of; it reaches a population of a million at the best of times and of five millions at such times as these.

But the problem raised by the importance of com-

[1] "Organized Labor," p. 163.

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prehensiveness to prevent "scabbing" on the one hand and of exclusiveness to maintain wages on the other, is not confined to such details as initiation fees and apprenticeship. It covers the whole question of the employment of boys, women, old men, and half-supported persons, and includes the "sweating" system.

The higher the wages exacted by trade unions the more employers are compelled to have recourse to cheap labor of women and children, and this labor is all the cheaper because the unionist himself contributes to the supply; for the unionist supports his wife and children, and the very fact of the support he gives them permits them to accept a lower rate of wages than if they were not supported. To understand the operation of this principle it must be borne in mind that rates of wages are determined, not by the wishes of the employee or even by the greed of the employer; they are determined by the market price. Unionists are not the only persons who object to the labor of women and boys. There is indeed no divergency of opinion as to the unwisdom of working boys before their education is complete or their bodies matured; or the unwisdom of employing women, destined by Nature to perform other more important functions. No better witness to the control exercised by the market on this important subject can be found than a member of the English Ministry, the Right Honorable H. O. Arnold-Forster, who says:

"The great cotton industry of Lancashire, the wool and worsted industry of Yorkshire, and many other industries in a less degree are at the present time dependent upon child labor. It is interesting to observe that as lately as the autumn of 1907 a deputation waited upon the responsible minister to urge upon him the desirability of raising the age of half-timers from twelve to thirteen.

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The desirability of the change was not denied, *but it was not considered possible to give effect to it.*

"Those who have any acquaintance with the cotton trade are well aware that that great industry, employing as it does no less than half a million persons, is conducted upon the *most minute margins of profit and loss.* The rate book of the cotton trade, in which wages of every kind of work are calculated out to the tenth of a penny, is a miracle of painstaking and intelligent computation. These fine calculations are absolutely necessary. Both employers and employed know perfectly well that the trade is, so to speak, *balanced on a knife edge,* and that any sudden increase of cost, whatever may be its cause, is likely to upset the balance, and turn the hardly won profit out of which operators as well as employers obtain their living, into a loss. The *fierce competition of the world,* especially of those countries in which child labor and long hours are prevalent, has to be met, and the persons principally concerned are only too well aware of the fact."[1]

Nothing then is better established than that every employer is forced by the pressure of competition to keep wages down, and that any employer who either under the compulsion of a trade union or out of generosity of heart attempts to raise wages one cent above the price permitted by the market, must expiate his mistake in the bankruptcy court.

There is only one way in which this competition can be met—the way imagined by Karl Marx: a comprehensive organization of trade unions, not only within one nation, but amongst all nations; in other words, the famous—and at one time loudly proclaimed as the infamous—International. The fact that the international

[1] "English Socialism of To-day," pp. 99–100.

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plan of organization imagined by Karl Marx failed, is little argument against it. But the fact that trade unions do not succeed in securing all the members of a trade in any nation—that indeed in the United States organized labor includes at most 2,000,000 members, whereas the working population is over 20,000,000, ought to be a convincing argument that a comprehensive organization of workers all over the world is still less possible.

One word must be said in this connection about the sweating system and its relation to trade unions. It is a current statement that sweating is confined in America to a few industries, such as tobacco and garment making. This, however, is a great mistake. Sweating may be defined as the reduction of wages to starvation or even below starvation level. It is true that sweating in this country is in large part due to an ignorant, unorganized, and poverty-stricken class of immigrants. But sweating is also to be found in a much higher order of employees. I refer to the sweating of certain factories and department stores where the rate of wages is determined, not by the cost of living, but by the price which half-supported women are willing to take for their week's work.

In many factories and in practically all the department stores the wages are below the sum necessary for a working woman to live; and they are made so at least in part by the fact that the daughters of well-to-do workingmen, being supported at home, are able and willing to give their time for a sum less than sufficient to support life. In some cases this work is rendered in a laudable desire to contribute to the common expense of the home. In many cases it must be attributed to vanity and the attractiveness of this kind of work.

We find, therefore, the workingman put in this singular position: Through his trade union he secures a high rate

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of wages; with this high rate of wages he seeks to establish a decent home; the desire of a decent home permeates the entire family; the daughters want to contribute thereto and, because they are partially supported themselves by the high wages received by the father, they accept a rate of wages so low that their less fortunate sisters are doomed to starve.

So on every side the trade unionist is hoist by his own petard. The high wage he is in a position to exact is perpetually menaced by the competition of the women and children of his own family whom his own high wages put in a position to compete with him. These high wages throw out of employment all save those of the highest efficiency, and by permitting the half-supported members of his family to work for low wages, reduce others who are not half supported below the level of starvation.

I shall not insist on other problems which still divide the members of trade unions, such as what is called "right of trade," or "the conflict between industrial and craft organization," both of which occasion loss of employment and division in the ranks of labor, because these are not insoluble. It is true that they have not yet been solved, but there is nothing in their very nature that makes a solution impossible. I do, however, insist upon the problems above referred to, because they are not only unsolved, but by their very nature can never be solved. No trade union can ever include *all* the men of the trade, because *all* cannot earn the high standard of wages set by the union; because the trade never can give employment to all the men in the trade—at the best of times there are over 3 per cent unemployed; because by insisting on a high rate for unionists, they compel the employer to have recourse to the cheaper labor of women and boys; because the very sense of family responsibility

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which makes a unionist support his wife and children is exploited by the employer to secure the services of these last at half wages; because the existence of a half-supported population creates and maintains sweated trades; because the employers, were they Angels of Mercy, cannot, thanks to the pressure of the market, raise wages or dispense with the cheap labor of women and boys without either incurring bankruptcy or shutting down; because either contingency would deprive the unionist of work and therefore of wages; because both employer and employee are perpetually being chased round a vicious circle by the devil of competition which, by keeping down prices and wages, keeps both in danger of ruin and unemployment.

The conclusion to which we are driven seems to be that the competitive system has the same effect upon trade unions as upon the rest of the industrial field—it sacrifices the many to the few. During these last two years wages have not been appreciably reduced. The most efficient have continued to receive the same wages as before. But the price paid for this advantage has been the reduction of between five and twenty millions of people to the verge of starvation, a large part of whom must by the very necessity of things be driven to vagrancy and through vagrancy to crime.[1]

What Socialism proposes is to maintain the principle of competition to the extent necessary to assure most comfort to the most efficient without exposing the rest to so awful an alternative as unemployment. And I think it will be seen that the education of the workingman through the organization, the order, the democracy of trade unions will play no small part in making Socialism

[1] Letter of Police Commissioner Bingham, New York city, N. Y. *Times*, Jan. 5, 1908. See Appendix, p. 423.

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possible, and that it is probably through the organization of trade unions that a true democracy will eventually be attained.

§ 4. Trusts

Two pictures of trusts have already been borrowed in this book,[1] one by Mr. Rockefeller, showing the economies they make, and the other by Mr. Havemeyer, showing the dangers that attend them. Trade unions start out to include all the men in the industry; this is their ideal; and it has been shown how far short of it they fall. It is generally supposed that trusts likewise seek to include all employers in the industry, but this is a great mistake. Not only does the law forbid this, but it would be a mistaken policy. A trust that included all the industry would invite newcomers for blackmailing purposes if for no other. The last and best policy of the promoter is to include only the most prosperous and to leave around the trust a fringe of independents too weak to affect prices but just strong enough to live as a warning to others. A good collection of independent factories on the verge of bankruptcy is the finest bulwark a trust can have, for they discourage the starting of any more.

How the trusts make prices and keep independents in their wake is well illustrated by the following extract:[2] "The custom has regularly been for some years for the Standard Oil Company to announce from day to day the price which it would pay for crude petroleum and the price at which it would sell refined petroleum. This price is generally accepted as the market price, and competitors follow."

[1] Book II, Chapter III.

[2] Report of the Industrial Commission, 1901, Vol. I, p. 18.

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"Likewise, the American Sugar Refining Company first posts the prices for the day, and is then followed by its competitors, who post theirs. Generally they take the prices fixed by the American Sugar Refining Company; but at times, if they have a little surplus stock on hand, or if it is difficult for them to secure a customer, they will cut the price perhaps one-sixteenth of a cent per pound. One or two of the chief competitors seem to be forced to put their prices quite frequently at one-sixteenth of a cent below that of the American Sugar Refining Company. In spite of its control over the output it is said by Mr. Post that the American Sugar Refining Company has not, in his judgment, unduly restricted the output. It is probable, he thinks, that had that company not been formed the competitive system would have ruined many established refineries, so that as many would have been closed as is now the case, and the output would have been fully as small, probably even less. Practically all of the witnesses, both members of the combination and their opponents, concede that while there is a certain arbitrariness in fixing the prices it has been exercised in most cases only within comparatively narrow limits, and then, mainly to meet competition or stifle it."

Trusts, therefore, do in one sense succeed where trade unions fail; that is to say, they do succeed in getting all to join them that they want; whereas the trade unions do not, the essential difference between the two being that the trust is essentially monopolistic whereas the trade union is essentially democratic. The one wants to benefit a few at the expense of the many; the other wants to benefit all at the expense of none. As the competitive system favors the policy of the trust and disfavors that of the union, the trust succeeds where the union fails.

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No one would accuse the organizers of a union of seeking to benefit a few at the expense of the many, and yet this under the competitive system is not only what happens but what must happen. On the other hand, no one imagines that the organizers of a trust have any other intention: they deliberately set out to eliminate competitors for their own benefit and they have succeeded in their task to an altogether unexpected degree.

It has been claimed, however, for the trusts that whatever may be the private benefit of their stockholders, they do perform a great public service.

Among the public services they were supposed to render it was claimed that they would pay good wages and furnish steady employment.[1] Even the labor unions themselves were of this opinion. Their leaders testified that they did not fear industrial combination and that if combinations were able by virtue of their savings to increase the profits of industry, workingmen would be able by pressure to "maintain or increase their wages quite as readily as before the combinations were made."[2] Another contention made for trusts was that they would lower prices. With the view of maintaining this contention, the trust magnates themselves testified to the enormous economies effected by combination, for the purpose of persuading us that the consumers would profit by these economies. Mr. Havemeyer was honest enough, however, to admit that he would be guided in fixing the price only by business considerations. But it was believed at that time that business considerations would be sufficient to keep prices down and the experience of the Whisky Trust was cited to prove that it was impossible to maintain prices above a reasonable margin of profit.

[1] Report of the Industrial Commission, 1901, Vol. I, p. 29.

[2] Ibid., p. 31.

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The Whisky Trust was organized in 1887 and after having lowered prices for the purpose of eliminating competitors, it brought the prices up to as high a level as had ever been reached before. The result of this was that at the end of 1888 prices fell, owing to a reorganization of the trust and to a subsequent raising of prices by the trust in 1891, only to be followed by a corresponding fall in 1892. And so prices went on reaching a very high level at the close of 1892, only to fall back to a low level in 1893; and again to a high level in 1894, only to go down so low in 1895 as to put the trust into the hands of a receiver. By this time the Whisky Trust had learned its lesson; it learned that if it endeavored to put the price of whisky up to an undue height, new distilleries were started to profit by these high prices, and the only way of avoiding bankruptcy was to maintain the price just high enough to return profits to the trust, but not high enough to encourage outside competition.

Undoubtedly the opinion generally prevailed at the end of the last century that increase in price by the trust was not to be feared. But at that time trusts had not yet acquired the art of handling independent competitors. To-day the art has been acquired. Owing to the enormous capital they control and the enormous extent of territory they cover, they are in a position so to reduce prices in any one spot where competition becomes dangerous as to crush out the competitor in that place. They adopted this method recklessly at first, crushing out all competitors and then raising the price unduly. Now they have learned to maintain a group of competitors about them and to keep these competitors alive, keeping prices high so long as competition is not dangerous and depressing them just enough to crush out competition when it becomes dangerous.

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The movement of prices since the end of last century is sufficient to demonstrate that trusts, far from reducing prices, are advancng them.

It must in all fairness to trusts be admitted that the enormous increase in the annual output of gold tends to increase prices, and it is extremely difficult to state just how much of the advance in price since the end of last century is due to the increased output of gold, and how much is due to deliberate advance on the part of the trusts. We have, however, a guide in the relation between increase of wages and increase of prices. If the advance in prices were due entirely to increased output of gold, wages ought to increase in the same proportion. But they do not.

Of the opinion expressed at the end of the last century that trusts would improve the condition of workingmen, there is very little left to-day.

From almost every point of view, trusts have since 1900 disappointed expectations. It was claimed and with every show of reason that trusts would, by their control of the market, be able to adjust supply to demand and thus avoid the gluts that produce unemployment,[1] and that although the economies they practised might result in the shutting down of some factories and the discharge of employees, in the end the workingmen would gain because their employment would be steady and because trade unions would have only one employer to bargain with instead of many.[2]

[1] "Most members of combinations feel that the tendency is to make work more permanent under the combination form of doing business, inasmuch as the combination is better able to adjust the supply of goods to the demand, and thus to secure regularity in their productive conditions." Report of the Industrial Commission, Vol. XIII, p. xxxi.

[2] "Some of the witnesses are of the opinion that the industrial

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How far has experience justified these anticipations? Far from diminishing unemployment, the reign of the trusts has resulted in the most intense and widespread depression that we have any record of.[1] Far from benefiting the unions, trusts have crushed unions out of existence. Far from raising wages and shortening hours, the employees of the Steel Trust in Pittsburg are to-day working twelve hours at $1.80 a day, and once a fortnight twenty-four hours in a single shift; whereas miners in the same district because their union has not yet been crushed by the Coal Trust, are working only eight hours at $2.36 a day.[2] And the Miners' Union has been saved from the trust only by what is still regarded by many as the improper personal intervention of President Roosevelt Oct. 31, 1902.

The conditions of labor under trust rule cannot be better described than in the Survey, an investigation published not by Socialists, nor even by persons inclined towards Socialism, but by believers in and upholders of the competitive system:[3]

"With this number, Charities and The Commons completes its presention of the findings of the Pittsburg Survey, as to conditions of life and labor of the wage-earners of the American Steel district. The gist of the situation, as we find it, is as follows:

"I. An altogether incredible amount of overwork by everybody, reaching its extreme in the twelve-hour

combinations give to the labor unions a decided advantage, inasmuch as it enable them to deal with the trade as a whole instead of with separate manufacturers." Report of the Industrial Commssion, Vol. XIII, p. xxxii.

[1] Book II, Chapter I, Unemployment.

[2] Pittsburg Survey, Charities, XXI, p. 1063.

[3] Charities, XXI, p. 1035

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shift for seven days in the week in the steel mills and the railway switchyards.

"II. Low wages for the great majority of the laborers employed by the mills, not lower than other large cities, but low compared with the prices—so low as to be inadequate to the maintenance of a normal American standard of living; wages adjusted to the single man in the lodging-house, not to the responsible head of a family.

"III. Still lower wages for women, who receive for example in one of the metal trades in which the proportion of women is great enough to be menacing, one-half as much as unorganized men in the same shops and one-third as much as the men in the union.

"IV. An absentee capitalism, with bad effects strikingly analogous to those of absentee landlordism, of which Pittsburg furnishes noteworthy examples.

"V. A continuous inflow of immigrants with low standards, attracted by a wage which is high by the standards of Southeastern Europe, and which yields a net pecuniary advantage because of abnormally low expenditures for food and shelter; and inadequate provision for the contingencies of sickness, accident, and death.

"VI. The destruction of family life, not in any imaginary or mystical sense, but by the demands of the day's work and by the very demonstrable and material method of typhoid fever and industrial accidents; both preventable, but costing in single years in Pittsburg considerably more than a thousand lives, and irretrievably shattering nearly as many homes.

"VII. Archaic social institutions such as the aldermanic court, the ward school district, the family garbage disposal, and the unregenerate charitable institution, still surviving after the conditions to which they were adapted have disappeared.

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"VIII. The contrast—which does not become blurred by familiarity with detail, but on the contrary becomes more vivid as the outlines are filled in—the contrast between the prosperity on the one hand of the most prosperous of all the communities of our western civilization, with its vast natural resources, the generous fostering of government, the human energy, the technical development, the gigantic tonnage of the mines and mills, the enormous capital of which the bank balances afford an indication; and, on the other hand, the neglect of life, of health, of physical vigor, even of the industrial efficiency of the individual. Certainly no community before in America or Europe has ever had such a surplus, and never before has a great community applied what it had so meagerly to the rational purposes of human life. Not by gifts of libraries, galleries, technical schools, and parks, but by the cessation of toil one day in seven, and sixteen hours in the twenty-four, by the increase of wages, by the sparing of lives, by the prevention of accidents, and by raising the standards of domestic life, should the surplus come back to the people of the community in which it is created."

It would be unfair, however, to the trusts not to recognize that in spite of the shameful conditions they create for the majority they do benefit a minority to no small degree. The highly skilled are highly paid; they are fairly safe from unemployment; they are also furnished an opportunity of purchasing stock, of which this minority avails itself. The effect of the trust system on the workingman is very much like that of the trade union; both benefit the highly skilled and highly efficient, but at the expense of all the rest.

Now those who believe in the competitive system regard this as proper; and that the highly skilled and

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highly efficient should fare better than the lazy and vicious is equally a part of the Socialist creed. All that the Socialist asks is that the punishment for falling short of the highest skill and the highest efficiency be *not so severe* as that described by the Pittsburg Survey; and this not only in the interest of the victim, but in that of the community of which he forms an essential part. It is because Socialism proposes a plan for giving to the efficient what their efficiency earns without committing the inefficient to a life of degradation, that it is entitled to the consideration of practical business men.

The degradation of the majority is not the only evil that results from the trusts. The rich are accustomed to look upon this evil as necessary and, therefore, one that they cannot hope to do more than mitigate by philanthropy. They seem unconscious of the goal to which this evil is inevitably driving them; and it is to this goal that I want above all to direct their attention.

(*a*) *The Conflict Between the Trust and the Trade Union*

It might seem as though the title for this section ought to be the conflict between capital and labor rather than the conflict between trusts and trade unions. This, however, is a mistake. So long as labor and capital were disorganized, there was not much danger in the conflict between the two. The employer was too strong and he had on his side in case of disturbance, the police, the militia, and the law. The moment, however, that labor became organized, it became too powerful for the police; it became dangerous even to the militia; and it has in England been strong enough to change the law; and this in spite of the fact that the organization of the working-

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man in unions has compelled the employers to combine in associations and trusts.

Again, although all violence is injurious to individuals, the violence to which unorganized workingmen resort in local disputes with their employers, however injurious to local interests, tends to be essentially temporary and does not tend to overthrow economic or social institutions. The effect of organization, however, expresses itself in the magnitude of the conflicts to which it gives rise; as for example, the Homestead strike in 1892, the Pullman strike in 1894, and what was practically equivalent to a civil war in Colorado during 1903.

It is generally believed that violence is the peculiar weapon of the workingman. This again is a mistake. Employers have often been the first to have recourse to violence and under conditions which hardly seem pardonable. That a striking employee should be enraged at seeing his place taken by strikebreakers and should be driven by his rage to violence, is easily understood; but that employers, merely for the sake of keeping down wages and making more profit, should have recourse to it seems altogether unjustifiable. It is a matter of official record that the Carnegie Steel Company opened negotiations with Robert A. Pinkerton for armed men nineteen days before any strike occurred.[1] The report also says that there was "no evidence to show that the slightest damage was done or was attempted to be done to property on the part of the strikers," [2] and so far as acts of violence are concerned, a personal investigation of the Colorado strike satisfied me that the Employers' Association was just as guilty as the miners. An impartial account of

[1] Senate Reports, 52d Congress, 2d session, Vol. I, Rept. No. 1280, p. xiv.

[2] Ibid., p. xiii.

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this struggle is to be found in the *Political Science Quarterly*[1] published by a board of which J. Pierpont Morgan is a member, and which cannot be accused therefore of tenderness to miners or leanings towards Socialism. It is difficult to justify the action of the mine owners in removing Moyer, Haywood, and Pettibone under the circumstances described by Judge McKenna in his dissenting opinion.[2]

If the trust managers have deliberate recourse to violence and questionable methods in their conflict with labor which involve merely a question of more or less profit, is there not excuse for the workingman who has at stake his very livelihood and that of his wife and children?

There are elements, however, in the coming conflict which to my mind make it clear that notwithstanding the enormous advantages which capital has over labor, it is labor and not capital that in the end will triumph. To understand these elements it is indispensable to consider the character of the advantages which the trusts have over the trade unions, and the character of the advantages which the unions have over the trusts.

(*b*) *Advantages of Trusts over Unions*

So far in America the conflict between trusts and unions has been confined to the economic field, and in the economic field it must be admitted that trusts have the advantage. In the first place, as has already been intimated, the trusts have at stake merely a matter of more or less profit. The trust can for the purpose of crushing the union, sacrifice part of its profit without material

[1] *Political Science Quarterly*, March, 1908.

[2] See Appendix, p. 424.

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damage. The trust in this respect is in an infinitely better condition than the isolated employer, for whom a strike very often means bankruptcy. This is not the case with the trust. Its capital is too large and its operations are conducted over too great an area for any strike to threaten insolvency.[1]

Moreover, an isolated employer is far more at the mercy of the employees than a trust, because a strike very often deprives him of custom. The orders he cannot fill are filled elsewhere and he may never recover the custom he has in this manner lost. The trust, however, can allow a strike to take place in one factory without for that reason failing to fill all its orders; for it can transfer them to another of its numerous factories in another place. That this is regularly done by the trust is a matter of common knowledge. The case cited by the Industrial Commission [2] is that of the American Smelting and Refining Company which "continued its business in the districts where there was no strike, transferring the work as far as possible."

In America, at any rate, the trusts have also on their side not only the police and the militia, but the law. The courts have decided that in the case of strikes and boycotts the courts can by injunction commit for contempt and punish by imprisonment those who violate their orders. These questions have been carried to the highest court and all further attempts on the part of labor to fight these questions in the courts are practically certain to be

[1] Many workingmen still believe in the possibility of strikes and even of a general strike. I do not take account of such strikes, because they have not yet occurred and labor does not seem organized upon a sufficiently comprehensive scale to make such strikes possible.

[2] Report of the Industrial Commission, Vol. XIII, p. xxxi.

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unavailing. The remedy of the Federation of Labor is not to dispute these decisions in the courts, but to secure new legislation reversing existing decisions on this subject.

The English unions have discovered this and, by the organization of their Labor party, have wrested from the British Government the trades dispute law which has settled these questions in their favor.

So long as unions persist in fighting trusts exclusively on the economic field and in the law courts, the unions seem bound to suffer defeat.

There is one weakness in the armor of the trusts to which attention has not yet been sufficiently directed. Trusts suffer more from their victories than from their defeats; for a defeat as to the length of hours or rate of wages, while it strengthens labor a little, does not weaken the trust much. But every victory of the trust is the greatest calamity to which it seems at present exposed; for every victory tends to shift the arena from the economic field, where the trust is invincible, to the political field, where labor has every advantage. This will become clear when we examine the advantages of unions over trusts.

(c) *Advantages of Unions over Trusts*

The larger the number of workers in every industry, the weaker are they on the economic field. It has been pointed out that unions tend to divide labor. They not only separate the labor world into two bitterly hostile classes—organized and unorganized—but by the high rate of wages that they demand they tend also to create jealousy within the trade union between the efficient who can earn these high wages and the less efficient who cannot. If the working population were so small that the demand

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for labor was greater than the supply, then indeed the unions might control the situation. But experience has shown that, without accepting the exaggerations of Malthus, there is always a greater supply of labor than demand. Even in the most prosperous times between 3 and 4 per cent of the trade unions are unemployed and, outside the unions, there is a mass of unorganized labor, a great part of which is either working for wages insufficient to support life or is not working at all. These things inevitably produce hostility between the prosperous and highly paid members of the union and all the rest; and this hostility is a source of weakness in the economic struggle of capital against labor. The unions, too, instead of being able to apply their funds to maintain strikes, have to apply a large part of these funds to the support of unemployed, whether through sickness or through industrial depression.

Upon the economic field, therefore, numbers tend to cripple the worker in his fight against capital. On the political field, on the contrary, the larger the number of workers, the stronger they are; for every wage-earning man has his vote, and the vote of every wage-earner counts as much as that of every capitalist. On the political field there need be no division in the ranks of labor—organized and unorganized labor can unite on a platform looking to the political subjection of their common master. Indeed, if the trusts and employers were to succeed in the task which they seem to have set themselves —the destruction of every trade union—they would by so doing put an end to the principal obstacle which now prevents workingmen from uniting upon a common platform, for the suppression of unions would mean two things: it would persuade the defeated unionists that their only chance of successfully fighting capital was on

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the political field; and it would put an end to the hostility between organized and unorganized labor that is the principal obstacle at this moment to united action of any kind. Moreover, the workingman could so frame his political program as to secure the alliance of the whole exploited class; the small farmer, the domestic, the clerk, and all those who, out of interest or sympathy, find themselves arrayed against the exploiting class.

The discovery that the workingman is no match for his employer on the economic field having already been made in England, the Labor party there has no less than 40 members in Parliament, and this small contingent has been strong enough to obtain the legislation above referred to. It is the sense of inferiority on the economic field that has organized the millions who are every year swelling the ranks of the Socialist party in Europe.

The shortsightedness of employers in failing to take account of this fact has its humorous side. The employee was not very long ago ignorant and incapable of organization—economic or political—and without any vote on public affairs. It was only upon condition that he should remain ignorant and incapable of political organization and without any voice in public affairs that he could continue to suffer the domination of his employer—such as is described in the Pittsburg Survey. Yet the employer has given to every employee an equal vote with himself in public affairs, so that to-day the employees outvote the employers. Not content with this, and fearful lest the employee should not be able adequately to use his vote, the employer has covered the country with schoolhouses for the purpose of teaching the employee how to use it. Yet employers proceed upon the assumption that the intelligent, educated workingman of to-day, armed with a vote and capable of the organization dis-

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played in his unions, will continue to endure such conditions as are described in the Pittsburg Survey as patiently in the future as he has done in the past!

So trusts continue complacently to crush out unions, oblivious of the fact that every union crushed drives its members to Populism, Socialism, Anarchism, pauperism, and crime.

Of all the folds ready to receive the unfortunates driven out of their unions by the trusts, which is the one least likely to prove dangerous to the state? This question does not seem to concern the trusts at all. They consider all these "isms" as equally vile, impractical, and obnoxious. Yet, if they would only give to this matter one-half the attention that they give to their business affairs, they could not fail to see that every union they crush raises for them a crop of political enemies who, if they show as much ability in political organization as they have shown in economic organization—and there is no reason why they should not—cannot but eventually secure a large majority in our legislatures. When they have done this; when they have the writing of a new constitution; when the police, the militia, the army, and the law courts are on their side, is it not better that this majority be intelligent and educated, as it might if Socialism were rightly understood, and not uneducated and violent, as it will certainly be if Socialism is not rightly understood? The conclusion to which we seem to be driven is that, so long as labor struggles with capital on the economic field through strikes, boycotts, and litigation, it is bound to be beaten; but that every victory of capital on the economic field shortens its reign; for it drives labor to abandon the economic field, where it is weak, for the political field, where it is strong; and that the evidence of constructive ability and self-restraint exhibited by

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labor in the organization and administration of the unions, indicates that that same ability exercised in the political field will make it invincible there:

"We are many; they are few."

If this be so, then capital can no longer afford to disregard or misrepresent the political aspirations of the army of labor. It may indeed turn out in the words of the Cumæan Sybil:

"Via prima salutis
Quâ minime reris Graia pandetur ab urbe."

Our way of safety may be—not in the defeat of labor—but in its enlightenment.

We have before us two alternatives: We can continue to fight labor; to crush it; to create unemployment one day and wring our hands over it the next; to arm labor, educate it, and force it to organize an army of discontent that will eventually outvote capital and, with little or no preparation for its task, seize the reins of government. Or we can leave the fighting of labor to the trusts from which the whole public suffers as well as the workingman, and ourselves join in a reorganization of political forces that will make the legitimate demands of the disinherited our own, and at last lay the foundations of the Democracy that Lincoln through the smoke of the Civil War dimly foresaw.

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CHAPTER VI

MONEY

No attempt will be made in this chapter to enter upon the disputed questions regarding money, but only to point out undenied and undeniable facts in connection with its use and abuse.

Coin, whether gold or silver, is used all over the world as the medium of exchange. But gold and silver available for the purpose of coin are limited in amount and totally inadequate to serve as mediums of exchange without the assistance of other devices. Thus banks of issue are organized for the purpose of issuing paper money. This money is upon its face redeemable in coin, but banks of issue, relying upon the probability that all paper issued will not be redeemed on the same day, issue far more paper money than they have reserve in coin. In England, this reserve is notably small.

Business, too, is conducted largely on credit; that is to say, the trader buys goods not with coin, but with notes or promises to pay gold, relying upon the probability that he will sell the goods before his notes come due and thus be able to meet his notes with the proceeds derived from the sale of the goods purchased with these notes.

Industries, railroad companies, and transportation companies also use credit for the purpose of building and running their roads and factories. This credit takes the shape of permanent bonds and temporary accommoda-

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tions of the same character as the notes used by private traders. The total number of bonds outstanding at par amount to-day in the United States alone to $13,500,000,000.[1] It is through the ability of railroad companies to issue bonds and credit notes that they are enabled in prosperous periods to extend their roads and factories.

Farmers also borrow largely upon their farms for the purchase of implements, live stock, improvements, etc. Recent figures of bonded indebtedness are not to be obtained; but they figure in the billions.

Again, cash payments are no longer made in coin; they are for the most part made by check. Checks are not paid in coin; they are cleared through clearing houses; the banks in every financial center belong to a clearing house through which they daily settle with one another, paying only differences of accounts in cash. Thus, in 1906, the total transactions of fifty-five banks in New York city amounted to over $103,000,000,000; yet the balances paid in money during the year only amounted to about $3,000,000,000—a proportion of 3.69. So that through the clearing-house system instead of exchanging gold to an amount of $103,000,000,000 the whole business was transacted with only 3.69 per cent thereof in coin.

The above figures tend to show how small a relation is borne by coin to the total exchanges of the world. Indeed, although coin is still the ultimate medium of exchange, commercial and industrial transactions are conducted for the most part through an enormous system of credit built upon a comparatively small amount of coin.

The importance of this is considerable, for it puts those who have coin and those who handle coin in a position

[1] An article by Charles A. Conant in the *Atlantic Monthly*, Jan., 1908.

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which enables them to control the industrial and commercial activities of the Nation. This feature of our money system occasions what are called "financial crises" as distinguished from commercial crises. Commercial crises and industrial crises are due to overproduction. Financial crises are produced for the most part by a breaking down of credit.

Credit may be broken down in many ways. A breakdown may be due to inability on the part of those who handle coin to meet their obligations in coin. It may, however, be due to the unwillingness of those who have and handle money to put this money at the disposal of the industrial public. It is sometimes occasioned by both.

Money is indispensable to the working of the industrial system. It may be regarded as the blood of the industrial system because no farmer can operate his farm, no factory owner his factory, no railroad company its road without money or the equivalent of money—credit. And if money can be compared with the blood in the human body, the banking system must be regarded as its heart; the organ that keeps money in circulation, accommodates circulation to the needs of the body, furnishes the economic body with as much as at periods of exercise it needs; and moderates its circulation when at periods of repose the economic body is less in need of it. It is hardly necessary to point out the extreme importance under these conditions that the heart of this system act for the benefit of the system, and have at no time an interest of its own to act independently of the system or in a manner hostile to it. Now this is exactly the evil of existing monetary conditions. Those who have and handle money have an interest of their own to serve. While it is generally to their interest to use money in making the community prosperous, it is at certain critical periods to their interest

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on the contrary to withhold money. This is the point upon which emphasis must be put. Let us, with a view to understanding this, consider into how few hands the control of coin tends to be concentrated; and how easy it is for these few to serve their own interests at the expense of the public by withholding coin at moments of utmost need.

A very brief study of the movements of coin in the United States will demonstrate the very few hands in which the control of coin in the country is vested:

Every trust, every corporation, every railroad company makes payments to its stockholders at stated intervals consisting of dividends on stock and interest on bonds. These amounts are large. In 1905 dividends amounted to $840,018,022, and interest to $636,287,621—together a billion and a half.[1] Most of this is paid in New York and produces a regular flow of money from the great corporations to the New York banks.

The great life insurance companies have their principal offices in New York and there flow daily into the coffers of these companies millions of dollars of premiums, amounting in the year to nearly half a billion ($492,676,987 in 1908). During the last half century, 1859–1908, the income from premiums reached the enormous total of $7,870,892,759.[2] All these go into the hands of New York banks and trust companies.

These moneys are, in the ordinary course of business, returned to the industrial public in the shape of accommodations to banks, loans to farmers, factories, railroad companies, etc.; and if these enormous sums that go into the hands of the Wall Street Group are not returned to the industrial system, the industrial system must

[1] *Atlantic Monthly*, Charles A. Conant, Jan., 1908, p. 101.

[2] Insurance Year Book: Life and Casualty sections, 1909, p. 236–7.

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perish just as the body must perish if its vital functions are not furnished with blood. But as has been stated, it is to the interest of the Group to keep the industrial system prosperous and, therefore, in prosperous times this amount gets back to the country again, the Group receiving a profit on taking in these moneys and on the paying out of them. One thing, however, is certain—that the Group can by withholding money make money scarce. It can by releasing noney make it plentiful. The power given to the Group by this order of things is incalculable. If the Group desires to issue securities, it has an interest in making money plentiful. If the Group desires to purchase securities cheaply, it has an interest in making money scarce. The Group is therefore in a position where it can serve its own interests whatever be the direction these interests take.

A banker once described to me the situation as follows:

"The bulk of business is conducted with credit. An enormous credit system is built upon a relatively small amount of gold. The bankers control the gold; by controlling the gold they control credit; by controlling credit they control business.

"This credit and gold system can be compared to an enormous system of reservoirs and irrigation works, the sluices of which are all opened and closed by electricity. It takes a very minute amount of electricity to open and close the sluices; but the man who has control of that small amount of electricity has the whole irrigation system at his mercy. By pressing a button he can furnish water to one region and take it away from another; and if water has been largely used—as in the case of over-investment—he can, by withholding water altogether, put the whole population of the land irrigated by the system on its knees."

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Let us select as a concrete illustration of the workings of this system the events of 1907:

The year prior to the October panic of 1907 was the most prosperous year the country had ever seen. The balance of trade in our favor was $446,000,000 [1]; that is to say, Europe owed us $446,000,000 on the year's transactions; the value of our crop exceeded that of the previous year by over $480,000,000; the net earnings of our railroads exceeded those of the previous year by over $260,000,000; the deposits in our banks exceeded those of the previous year by over $880,000,000; the cash held by our banks exceeded that held in the previous year by over $100,000,000; and the Treasury of the United States was bulging with ingots of gold. Nevertheless, the bankers knew that there had been overinvestment. In fifteen years the banks had invested in stocks and bonds no less than $437,000,000. In three years the trust companies had invested no less than $643,000,000 in these securities.[2]

Moreover, immense sums had been loaned by trust companies and cash reserves had fallen from nearly 18 per cent in 1897 to a little over 11 per cent in 1907.[3] The Wall Street Group knew that there had been overinvestment. As one of them said, "We are being overwhelmed by our own prosperity." The breeze was blowing too strong and we were carrying too much sail. The Wall Street Group, however, knowing that a crisis was at hand and determined to realize the fullest possible price for stocks, began selling securities in January, 1907, giving rise to what has been termed "the rich man's

[1] Statistical abstract of the U. S., 1908.

[2] "Monetary and Banking Systems." By Maurice L. Muhleman, formerly U. S. Deputy Assistant Treasurer at New York.

[3] Ibid.

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panic," which climaxed in March.[1] Securities fell in consequence of this selling on an average of about 40 points. This tended to cripple all weak financial institutions which were no longer able to sell securities with a view to meeting obligations except at a loss. But this weakness did not express itself until October.

The first to suffer was the brokerage firm of Otto Heinze & Company, well-known speculators, particularly in copper stocks. The next to fall were Charles W. Morse and E. R. Thomas, also speculators and directors of the Mercantile National Bank, and others. All banks controlled by these men at once showed weakness. But the panic did not reach its climax until the Knickerbocker Trust Company became involved. To understand the situation of the Knickerbocker Trust Company, a word must be said regarding trust companies and their relations to banks.

Banks in the city of New York are required by law to keep a reserve of 15 per cent of their deposits in coin. Trust companies, not being subject to the banking law in this respect, are not called upon to maintain this reserve. They have, therefore, an advantage over banks because they can invest the whole of their deposits instead of keeping a part of them uninvested in coin. The natural hostility that would arise between trust companies and banks owing to this difference was eliminated in almost every case because trust companies were controlled by the banks. The Knickerbocker Trust Company, however, formed a notable exception to this rule.

Owing to the genius of its President, Charles T. Barney,

[1] According to computations made by Mr. James H. Brookmire on quotations of twenty representative railroad stocks, these reached at the highest point in 1906, 138. In March, these securities had gone down to 98.

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the Knickerbocker Trust Company had increased its deposits to over eighty millions in 1907. Mr. Barney did not belong to the Wall Street Group in the sense of the word that he acted independently of it, and his extraordinary enterprise and ability aroused the jealousy of the Group. In 1907, the institution having 8,000 depositors with total deposits of $80,000,000, became an independent power which was not to be tolerated by the Group. Under these conditions, it could not be expected that the Group would make any extraordinary effort to save the Knickerbocker Trust Company. It was to the interest of the Group that the Knickerbocker Trust Company should cease to remain an independent financial power.

Everybody knew that the Knickerbocker Trust Company, though temporarily embarrassed, was perfectly sound. The receivers, appointed when its doors closed, so stated and subsequent events have proved that the receivers were right. No one doubts the ability of the Group to save the Knickerbocker Trust Company if it had chosen to do so. But the Group had in its hands an instrument by means of which the ruin of Mr. Barney could be effected: The clearing house has never admitted trust companies to membership, because trust companies were not under the obligation to maintain the 15 per cent reserve above referred to. This matter had come up frequently for discussion and the clearing house had insisted that all trust companies applying for membership to the clearing house should keep a reserve at of least 10 per cent. This the trust companies declined to do; but they nevertheless profited by the clearing-house system by employing banks that were members of the Clearing House Association to do their clearing for them —a dangerous situation that proved the ruin of Mr. Barney. The Bank of Commerce was the clearing-house

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agent of the Knickerbocker Trust Company; and the Bank of Commerce was controlled by the Wall Street Group. Under these conditions, the Knickerbocker Trust Company was at the mercy of the Wall Street Group.

The Bank of Commerce publicly announced its refusal to clear any longer for the Knickerbocker Trust Company on the 21st of October.[1] Mr. Charles T. Barney was told that no help would be given to the Knickerbocker Trust Company unless he resigned. Understanding this to mean that help would be given if he did resign, he resigned; but help was withheld; the Knickerbocker Trust Company was allowed to go into the hands of receivers, and Mr. Barney committed suicide.

Mr. Barney's corporation was not the only one upon which the Group had its eye. The Group is interested in the General Electric Company, the largest electrical company in America. The only serious rival of the General Electric Company in the country is the Westinghouse Company. Westinghouse was doing a larger business than he had capital for. "He was overwhelmed by his own prosperity." All Westinghouse needed at that time was money in order to protect his business. This money was refused to him.

The Group is also interested in the railroads of the country and indeed controls them. It is one of the bad features of our railroad system that it almost everywhere controls steamship lines and thus prevents the public from having the benefit of cheaper water rates by exacting the same rates on steamboats as upon land. Morse with the supposed backing of the Knickerbocker Trust had organized a system of steamship companies which were running independently of the railroads and threatening their monopoly of freight rates. It was necessary that

[1] N. Y. *Press*, Oct. 22, 1907.

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these steamship lines should be controlled by the various railroad systems with which these lines competed, and Morse's steamship company was forced into the hands of a receiver.

But there was another corporation of still more importance to the Group—the Tennessee Coal and Iron Company.

The Steel Trust had never been able to purchase this company, and this company was in a measure indispensable to them. The Tennessee Coal and Iron Company had the extraordinary advantage of owning interbedded coal and iron; that is to say, coal and iron in the same spot. It was thus relieved of the necessity of transporting coal several hundred miles to iron ore or iron ore several hundred miles to coal. This enabled the Tennessee Coal and Iron Company to fix a price for steel independently of the Steel Trust.

As has been explained, although trusts seek to have weak independent concerns in existence if only to prevent strong independent concerns from being organized, they cannot afford to have an independent concern competing with them which is able to fix prices lower than their own. For this reason, the Wall Street Group availed itself of the panic to get control of the Tennessee Coal and Iron Company.

Upon the testimony of Oakleigh Thorne, President of the Trust Company of America, and George W. Perkins of the firm of J. P. Morgan & Company, who is a member of the Finance Board of the United States Steel Corporation, before the Senate Committee on January 19, 1909,[1] it appears that a syndicate had been organized for the purpose of acquiring the stock of the Tennessee Coal and Iron Company. Mr. Oakleigh Thorne was a member

[1] See N. Y. *Times*, Jan. 30, 1909.

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of this syndicate, and the Trust Company of America, of which he was president, had loaned on November 1, 1907, $482,700 to this syndicate against the stock of the Tennessee Coal and Iron Company as collateral. It seems that the Trust Company called this loan and that although the stock of the Tennessee Coal and Iron Company was a dividend-paying stock and quoted at 119, the syndicate found it impossible to borrow money upon it. The only condition upon which they could borrow money was selling out to the Steel Trust.

The Steel Trust gave in exchange for the Tennessee Coal and Iron Company stock at 119 its own second mortgage bonds, quoted on the market at that time at 82, and as soon as this exchange was effected the syndicate was furnished with all the money it needed. Wall Street loaned to the syndicate against steel second mortgage bonds the amounts which had previously been refused upon the Tennessee Coal and Iron Company stock. In other words, the Wall Street Group by refusing to loan money to the syndicate against the Tennessee Coal and Iron Company stock, compelled the syndicate to sell this stock to the Steel Trust by agreeing to loan to the syndicate against Steel Trust second mortgage bonds at 82 what they refused to loan to the same syndicate on Tennessee Coal and Iron Company stock at 119.

The New York *Times* says on this subject:[1]

"What inquiring Senators want to know is, How was it possible for a small group of bankers to get together and, merely by agreement, force out one security by giving preference to another less valuable? This power is regarded as highly dangerous to all classes of securities, placing them entirely at the mercy of the Wall Street Group."

[1] N. Y. *Times*, February 1, 1909.

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The power of the Wall Street Group to which the *Times* objects is in times of panic reinforced by no less a power than the United States Government. The United States differs from other countries in not having a government bank for receiving government deposits and distributing them in the ordinary course of banking business. The result is that the receipts of the government accumulate in the United States Treasury, and this tends to increase stringency in periods of panic. It has become, therefore, a rule of the government to step in on such occasions and deposit with its national banks a sufficient amount to relieve stringency. It will be readily seen that this intervention of the Secretary of the Treasury, while indispensable to the public welfare, constitutes a great resource to the Wall Street Group. For the Group can, by withholding cash at periods of stringency, practically compel the government to come to the relief of the market when, for purposes of its own the Group decides to withhold funds. And as the Group includes the best-informed persons regarding the finances of the country, it is to the Group that the Secretary of the Treasury naturally goes for advice on these occasions. The Wall Street Group therefore occupies a position which permits it to call upon the government for funds when it desires to hoard its own funds for its own purposes.

Thus we find Secretary Cortelyou in daily conference with the Wall Street Group at this period; and after the Knickerbocker Trust Company closed its doors on the 22d of October and receivers had been appointed for the three Westinghouse firms on the 23d, Secretary Cortelyou deposited $25,000,000 in the New York banks indicated by the Group. This was just sufficient to prevent ruin but not sufficient to relieve stringency. On November

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4th, Judge Gary and Mr. Frick went to see the President and explained to him that the purchase of the Tennessee Coal and Iron Company stock by the Steel Trust was necessary "in order to stop the panic." [1] The President on the same day wrote a letter to the Attorney-General, subsequently communicated to the Senate, in which he explained that in view of the fact that such a purchase would tend "to stop the panic" and that it would not give the Steel Trust more than 60 per cent. of the Steel industry, he did "not feel it a public duty to interpose any objection."

The purchase of the Tennessee Coal and Iron Company having been effected, the United States Government was once more called upon by the Group and on November 17, the President and Secretary Cortelyou announced the issue of 2 per cent Panama bonds for an amount of $50,000,000, and 3 per cent on certificate indebtedness to an amount of $100,000,000. By this time, however, the Group had decided that there was no necessity to maintain panic conditions, and the issue of these bonds was arrested, so that only one-half of the Panama bonds and only $15,000,000 of the Treasury certificates were allotted.

It has been intimated that the Wall Street Group during the whole of this panic was in possession of funds which it purposely withheld. This intimation seems justified by the events which immediately followed the purchase of the Tennessee Coal and Iron stock by the Steel Trust. In November newspapers informed us that our bankers were engaged in "buying gold" in Europe, and during November no less than $63,000,000 were imported and in December a further $44,000,000 were imported; together—over $100,000,000. It is a

[1] The N. Y. *Times*, Jan. 7, 1909.

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somewhat singular thing that the public does not seem to have asked for information as to what was meant by this singular expression "buying gold."

The machinery through which gold was brought over to America in November and December was the following: Our farmers had already produced crops and sold them to Europe; the 1907 cotton crop began to move in August—a large part of it was in Europe before the panic. Our wheat crop, though late, was already partly in Europe and on its way there. Those who had produced and sold these crops had drawn against their shipments. These drafts are called "cotton bills"—"wheat bills." Certain bankers with connections abroad make it their special business to buy these bills and present them for payment in Europe at a minute profit called "exchange." But these bankers could not, during the panic, borrow money as usual to buy these bills; and they did not dare to use the money of their depositors for this purpose when they were under imminent danger of a run. So these bills became a drug on the market; they could be got for four cents in the pound cheaper than in average years; and at this price, and at an exceptional profit, the Wall Street Group went into the market and bought them up, presented them for payment and got all the money from Europe that was wanted. This is the process that was called "buying gold." But *who had gold with which to buy these bills? Who had been hoarding gold?*

What do these facts disclose? They disclose that at the time when the Wall Street Group refused help to the Knickerbocker Trust it had at its disposal the gold in the United States Treasury—did not Cortelyou actually put this gold at its disposal?—the credit of the United States Government—did not Cortelyou at its bidding

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issue all the bonds he was told to issue?—and enough money of its own at the proper moment to purchase cotton and wheat bills at panic prices, so that every ship that in November and December sailed from Europe to New York came laden with gold?

No one can, I think, deny the power of the Group after a fair consideration of these incidents. Let us see how this power was exercised as regards the city of New York.

The Comptroller in a report published in November, 1907 (pages 5 and 6) showed that the city had not only voted, but appropriated over $195,000,000 for, public works, much of which was urgently needed by the city and some of which ought to have been completed four years before. Yet this city of four million inhabitants, whose property is underassessed at $7,000,000,000, was not able to employ its thousands of unemployed at this urgently needed public work because, as Comptroller Metz stated at a crowded meeting, Mr. J. Pierpont Morgan would not give the money to do it with, *and the city could get it from no one else.*[1]

Morgan allowed the city in October to issue $30,000,000 of its bonds at 6 per cent, but refused to permit any further issue until the last day of January. On January 29th, according to the New York *Sun*,[2] Mr. Morgan relented, and the Mayor of the city, the Comptroller, the Deputy Comptroller, the Corporation Counsel, and the City Chamberlain were summoned to Mr. Morgan's library. There at last the imperial consent was given; the richest city in America was allowed by Mr. Morgan to issue its own bonds, but not in an amount large enough to permit of any public works. So the unemployed were left to tramp sleeplessly through our streets.

[1] N. Y. *Sun*, Jan. 17, 1908. [2] Ibid., Jan. 30, 1908.

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The Wall Street Group found another important element of profit in the fall of securities during the panic. It has been said that securities fell on an average 40 points when the Group sold securities between January and March, 1907. Mr. James H. Brookmire estimates that they fell another 16 points during the panic. The Group seemed informed as to the exact moment at which securities had reached the bottom price; that is, they knew the moment when the panic was intended to come to an end. I was fortunate enough to be informed by a member of the Group at the right moment. I purchased Northern Pacific stock upon the advice given and, in the course of the year, made 50 per cent profit thereupon. The Group that sold between January and March, 1907, was in a position to buy back stock at less than one-half what they sold it for and, if they chose to realize at the present time, it would make an additional 50 per cent. In other words, it was in a position to make over 100 per cent upon the whole transaction. When we keep in mind the enormous figures which the operations of the Group attain, the amount of profit realized upon this amount alone can be imagined.

I do not wish to be understood as pretending that the facts marshalled in the foregoing pages constitute conclusive proofs that the Group either made money by the panic, or withheld cash and credit for the purpose of making money. It is possible that the sales of stock between January and March and the repurchase of stock in November were effected solely with a view to the public welfare; it is possible that the Knickerbocker Trust Company was allowed to go to the wall solely through error in judgment; it is possible that the Steel Trust reluctantly purchased the Tennessee Coal and Iron Company as Messrs. Gary and Frick explained to the President

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—solely for the purpose of "stopping the panic." But practical business men are not accustomed to concluding in this fashion. When the keenest appetites of humanity are whetted to the utmost and opportunities are extended for the satisfaction of these appetites, we generally conclude that these opportunities are not refused through pure asceticism; at least not by the Wall Street Group.

When Mrs. Forrest brought action against her husband, Edwin Forrest, the actor, it was proved that the defendant had been seen visiting a house of ill fame; after he entered, a third story front room was lit; the room remained lit for about an hour; the light was extinguished at the end of this period, and a few moments thereafter Mr. Forrest was seen leaving the house. His counsel maintained that this was not conclusive evidence against him; that his profession obliged him to study human nature in every rank of life at close quarters, and that it had not been proved that he visited this house for any other purpose. Charles O'Conor in responding to this part of the defendant's argument, said: "I can see the defendant walking up the steps of this house of ill fame; I can see him enter and ushered into a roomfull of human nature exclusively of the female sex ready and willing to be studied at close quarters; I can see him select the one which he believed to be able to furnish the best opportunities for this purpose; I can see the two mount the stairs to the third story front and light the gas; and I can see them together there devote an hour to meditation and prayer." The jury was satisfied with the evidence and rendered a verdict for divorce in favor of Mrs. Forrest.

Whatever be the opinion, however, as to whether or not the Wall Street Group withheld funds to effect its

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purpose during the panic; or whether it made money out of the panic, one thing is perfectly certain—it was in a position where it could have withheld money; it was in a position where it could have made money out of the panic. The question the community has to decide is whether it is willing to leave this power and this temptation to any group of bankers—either to the saints now in control of Wall Street, or possibly to their less worthy successors.

In one of the standard English works on Money,[1] George Clare points out the exorbitant power of the Secretary of our Treasury:

"The New York Market is in fact at the mercy of an autocrat who, having full power to loose or bind large masses of currency at his absolute discretion, decides for himself whether and when money shall be cheap, and whether and when it shall be dear."

This autocratic power is to-day at the disposal of the Wall Street Group—not owing to any improper influence of the Group; not through any improper conduct of the Treasury; but as a necessary result of existing conditions. And if Mr. Clare is right in criticising the wisdom of granting to the Treasury the autocratic power it now enjoys, how much more dangerous is it to grant this autocratic power not to an official who can be removed, but to a group of financiers who cannot be removed? For the power exerted by the Wall Street Group includes not only all the resources of the Treasury, but all the resources of the entire country. It holds the life blood of our economic system in its hands and, because it controls this life blood, it controls politics, education, morals, and religion. And this group of men was not elected

[1] "A Money Market Primer," by George Clare. Recommended by the Council of the Institute of Bankers. Revised edition, London, 1896, p. 123.

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to the position it now enjoys by the majority of our citizens; it has usurped the position by virtue of its control over silver and gold.

The fact, however, that the use of silver and gold as our sole medium of exchange gives men control of the most essential things in our life, whom we never elected to that office and who at critical times have a personal interest to serve in opposition to that of the public welfare, is not the only evil connected with their use:

Silver and gold do not furnish us with constant standards of values. At various periods in the history of our civilization, gold and silver have been discovered in enormous quantities, and the effect of the discoveries and the putting of the gold and silver on the market has been and must be of a character to seriously affect the interests of all. When the amount of gold and silver in circulation is increased, prices go up, but wages do not correspondingly rise; and the wage-earner is unconsciously robbed. He goes on receiving the same amount in gold or silver for his work, but the purchasing power of the wage he receives diminishes. Again, when contraction takes place, as for example when silver was demonetized in 1893, a great wrong was done to the farmers who had borrowed money upon their farms; for by demonetizing silver, gold increased correspondingly in value and the farmer was called upon to pay his mortgages with money worth far more than it was prior to the demonetization of silver.

One thing, however, we want to bear in mind, that although farmers suffer by the demonetization of silver and wage-earners suffer by the demonetization of silver, and no change in the amount of silver and gold used as currency takes place without somebody suffering, the financiers and all those who handle money are in a posi-

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tion so to conduct their affairs as to profit by these changes. Meanwhile the rest of the community are in such a position that they have not the knowledge and even if they had the knowledge, would probably not have the ability, to do anything but lose by them.

The average citizen has no knowledge on these subjects whatever, and is therefore at the mercy of financial heretics. He was misled by the greenback craze in the 80's, by the silver craze in the 90's, and is subject to further delusions so long as coin remains the medium of exchange and coin is controlled by a few individuals whose only interest in it is to make out of it the largest fortune possible.

It must not be imagined that an attempt has been made to furnish anything like an exhaustive account of the opportunities which financiers have for profiting at the expense of the public. To do so would require a volume as large as this one devoted entirely to this subject.

For example, at this very time of writing,[1] the papers inform us that Mr. Morgan is hurrying back from Europe to settle the question whether a dividend is to be paid on the common stock of the United States Steel Company. It is known that Mr. Morgan received a very large block of this stock as his compensation for promoting the trust. If he still has enough of this stock to make the payment of a dividend of importance to him, or if he wants to sell at a high price, he will be naturally influenced by this motive to declare a dividend. If, on the other hand, he who best of all knows how prosperous the Company is, desires to purchase more of this stock at a low price, he will be tempted not to declare a dividend. The stock will fall and he will be able to make a large profit by purchasing.

[1] July 16, 1909.

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In this manner directors are always able, if they choose, to make money on the declaration of doubtful dividends; and this can be done without its being possible to impute any blame to them, for a declaration of a dividend is always a matter of judgment. It is wise to put aside a certain part of the profits as a reserve to meet hard times, and just how much shall be put aside as a reserve and how much shall be paid out for dividends are matters on which it is very difficult for the best-intentioned men to agree. The directors, however, who control the company can make up their minds beforehand whether they will declare a dividend or not. If they propose to pass a dividend, they can sell as much as the market permits and buy back later at reduced prices. If they decide to declare a dividend, they can buy as much as the market permits and sell later at advanced prices.

Again, there seems to be no standard of morality amongst bankers as regards the profits they make. In the ordinary walks of life, a man is expected to be able to explain what the services are for which he receives any considerable sum of money. This, however, does not seem to be the case with bankers. In 1893, the United States Congress appointed a committee to investigate the rumor that over a million dollars had been remitted to J. P. Morgan & Company, Winslow Lanier & Company and J. & W. Seligman for the purpose of corrupting Congress. Messrs. Morgan, Lanier and Seligman were obliged to admit that a sum of $1,200,000 had been divided among them, "apparently for the use of their names and for nothing else." When asked if it had been remitted for the purpose of corrupting Congress, they denied it; when asked if they were still in possession of this sum, they admitted they were; when asked what the services were for which they had received this sum, they

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naïvely stated that they did not know.[1] Such an admission made by a lawyer would be ground for having him disbarred.

The very moral or immoral attitude that permits of bankers receiving enormous sums of money without being able to explain why these moneys were paid to them, pervades the whole financial atmosphere.

The directors of our large corporations corrupt our legislatures; they endow universities and pervert our education; they support the churches and prevent them from preaching the doctrines of Christ; they determine elections so as to secure legislators whom they can control. They are masters, not only of our whole system of production and distribution, but of our government and our laws. And this democracy which in theory is a government of the people, by the people, and for the people, turns out to be a government of the people, by financiers, for financiers.

Nor does it seem possible to put an end to this condition of things so long as our system of production and distribution is competitive; for gold and silver have proved to be altogether the best mediums of exchange, and some medium of exchange we must have in order to carry on trade so long as that trade is left to individual initiative as at present.

The whole community pays tribute to those who have gold and silver and those who handle it, and these last have a personal interest contrary to the interest of the public at moments of the greatest emergency. Competitive conditions have subjected the whole currency of the country to the control of a few men who thereby are masters of our commerce, our manufactures, our exports, our politics, our religion. In view of the fact

[1] House Reports, 52d Congress, 2d Session, v. 3, No. 2615, p. 5.

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that this small group practically governs the country in matters of legislation, and by virtue of a sort of class solidarity between the judges and the possessing class, governs the courts also, the men who determine the making and executing of our laws should, in a democracy such as ours, be elected by the people. But they are not elected by the people and they are not removable by the people. They are irremovable usurpers; they are created by economic conditions and, as long as these economic conditions last, they will continue to enjoy the power they now exercise.

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CHAPTER VII

CAN THE EVILS OF CAPITALISM BE ELIMINATED BY COÖPERATION?

ONE of our ablest captains of industry has lately collected articles and addresses on this subject in a book entitled, "Problems of the Day." If we were to eliminate from this book the errors under which Mr. Carnegie labors as to what Socialism is, we could make of it an admirable piece of Socialist propaganda. For Mr. Carnegie, although denouncing Socialism in every page, believes in giving the workingman an interest in the factory, and carries his belief in this system so far that he actually looks forward to the day when labor will reach "an equality with the millionaire as his partner in business."[1] He cites as an example of what could be done in this direction the Filene stores of Boston, the capital stock of which he says is held "exclusively by employees." Now this is exactly the system which modern Socialism wants to bring into existence. Because, therefore, Mr. Carnegie does not belong to the Platonic School of Socialism which suggests the breaking-up of the home and is denounced by all practical Socialists of to-day; and because he disapproves of the abolition of wealth, as do all practical Socialists of to-day, he deserves to occupy a front rank in our Socialist army for having put his finger upon the real evil—competition; and for having pointed

[1] "Problems of the Day," by Andrew Carnegie, p. 76.

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the way to the real solution—the substitution of coöperation for competition all through our industrial system.

One thing, however, Mr. Carnegie has failed to appreciate: namely, that when all our industries are organized on the principle of the Filene stores—when, as Mr. Carnegie explains, the capital stock of every industry and department store is held exclusively by employees, the worker will not be the partner of the millionaire—he will have superseded him. I am afraid this is not what Mr. Carnegie wants, at least not in his day. But when he really wants this as much as in his book he seems to want it, Mr. Carnegie will be qualified to be a member of the Socialist party.

There is an important distinction to be made between coöperation and coöperatives, because coöperatives may be divided into two very different classes: capitalistic coöperatives and socialistic coöperatives.

The capitalistic coöperatives are either the efforts of capitalists to secure the fidelity of employees by giving them a minute share in the profits of the business, or the efforts of employees to benefit themselves by eliminating capitalists without eliminating capitalism; in other words, the fact that such coöperatives undertake to produce or distribute commodities under the competitive *régime*, converts them into capitalists.

In marked contrast to these are the coöperative stores of Belgium, organized in part to improve the condition of those engaged in them, but also with the view of putting an end to capitalism altogether. These are performing a work of inestimable value to Socialism and the Socialist party in Belgium, while materially helping those who belong to them, they at the same time hold up as the standard aimed at, not the mere material improvement of themselves, but the ultimate triumph of an ideal.

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The field for coöperation is so vast that it cannot be traversed in the scope of this work. I shall close this subject therefore with the suggestion that all coöperatives—even the capitalistic—are good and useful, for they tend to educate. It is true that they may also occasion evil; as for example, the Steel Trust when it encourages employees to purchase stock, while it discourages and destroys trade-union organization, and thereby creates an aristocracy of labor which tends to prevent the sense of solidarity in labor ranks that Marxians regard as essential to the triumph of the Socialist cause.

But the evil it does is probably compensated by the good. Incidentally it furnishes us Socialists with a triumphant answer to Mr. Carnegie: Here in his city of Pittsburg which he built up with his genius, is the principle of coöperation adopted which he regards as the solution of all our ills; yet it is this very Pittsburg that to-day furnishes to the whole world the most abominable picture of exploitation ever presented.[1] We Socialists are indeed fortunate that this picture has been drawn not by ourselves, but by those who are to-day the most intelligently opposing us.

[1] The Pittsburg Survey, published by the Russell Sage Foundation.

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BOOK III

WHAT SOCIALISM IS

SOCIALISM is too vast a subject to be brought within the four corners of any one definition. It is as impossible for a definition to convey an idea of Socialism as for an empty theater to convey the comedies, the idylls, and the tragedies nightly enacted on its boards. A definition can at best barely give the mechanism of Socialism; it cannot furnish a picture of the effect of that mechanism in eliminating misery, in promoting progress, in making character. This must be painted on a canvas—and on a large canvas—and on many canvases—for, as has been already urged, Socialism is not a simple thing; it is a highly complex thing; and it is only when we have grasped *all* that Socialism will effect—when we have studied its economic results, its political results, its scientific results, and its ethical results—that we can appreciate this new Gospel of the Poor.

Socialism not only derives strength from each of these results, it unites the divergencies between economics and politics, and solves the conflict between science and religion. So that these four great departments of human thought, instead of being independent or actually in conflict with one another, find themselves in Socialism united in one great harmonious whole.

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Just as Christianity derived its strength from the discontent of the oppressed, so Socialism has pushed its first roots in the misery of the proletariat. But we do not judge of a flower exclusively from its roots. So must we not judge Socialism exclusively from that part of it which at present flourishes in dark tenements and in the misery of the unemployed. It is our fault that the tenements are dark, that the unemployed suffer. It will be our fault if Socialism remains the Gospel of the Poor when we can make of it the final Gospel of the whole human race.

For humanity has nearly finished the first great phase of its existence; it has played the rôle of the worm long enough; already is it cribbed, cabined, and confined by silk threads of its own weaving that for a hundred years the cocoon has been accumulating about it, repressing here, regulating there, till it is stifling under limitations created by itself. But the very pressure of these limitations has been developing new functions in us—a conscience restive under false standards, a capacity for wider sympathies—the wings of the grub, destined to burst the chrysalis of worn-out prejudices, regulations, legislations, and despotisms; to spread out into new spaces where there shall be development and happiness.

Whether these hopes are well founded or not is the subject of our inquiry, beginning first with Economics—the roots of our flower; proceeding then to Politics—its stem; next to Science—its structure, and lastly to Morality and Religion—its blossom and its fruit. And if I group Morality and Religion, it is because these have both from the beginning of years and not always hand in hand, been groping after the same thing—Happiness.

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CHAPTER I

THE ECONOMIC ASPECT OF SOCIALISM

LET us begin by considering how large a part of our population is now devoting its entire time to the work of competition, as distinguished from that which is devoting its time to the task of production.

It is obvious that all who are devoting their time to the work of competition would, in a coöperative commonwealth, be free to give their entire time to production; and the time they gave to production would be so much taken away from the time which those now engaged in production have to give to it. For example, the United States to-day keeps alive, according to the census of 1900, over 76,000,000 men, women, and children; of these the working population is estimated at a little over 29,000,000, of which, however, many are not engaged in production or distribution; as for example, actors, clergymen, lawyers, soldiers; and although some others, such as journalists, physicians, and surgeons, are not occupied in production and distribution, they nevertheless are so necessary to every community that they may be regarded as a part of the working population. The percentage excluded, however, by excluding those not engaged in production and distribution, is so small that it is not worth while taking them into account; and for purposes of easy calculation we should, therefore, consider the whole population in round figures—75,000,000, of which

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30,000,000 are engaged in production and distribution, the remaining 45,000,000 consisting of the aged, sick, women, and children who cannot work and in fact, all who by wealth or disability are deprived of the necessity of working. Now if, of the 30,000,000 who do the work of production, it is found that 15,000,000, or one-half, are engaged in work that results from the competitive character of our industrial system, it is clear that in a Socialist community in which there is no competition, these 15,000,000 would be applied to the work of production; and therefore every man would have to work only one-half the number of hours he now works in order to keep the community alive.

Let us see if we can form any idea how many are engaged in the wasteful work of competition, and how many, therefore, would in a Socialist society be set free to relieve the labor of those engaged in production.

It is conceded that of every one hundred men who start a new business ninety become insolvent. This means that for every ten fit and able to conduct a new business ninety engage in new business who are unable to earn their bread at it. In a coöperative commonwealth the exact number of men necessary to conduct business in any given place could be mathematically determined; and the ninety unsuccessful men who are now engaged in futile efforts to destroy the business of the ten successful men would be employed in production to their own advantage and to the relief of those already engaged therein.

The wastefulness, however, of the present plan is not confined to the circumstance that many are engaged in attempting to do what can better be done by a few, but is increased by the fact that in the conflict between the successful and the unsuccessful a vast horde of men

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are employed by competition, who would be thrown out of employment and therefore be serviceable for production in case competition were avoided. Amongst the men so employed are commercial travellers; these men occasion waste to the community, not only because instead of themselves producing they are living on the production of others, but because they constitute a large part of the passenger traffic of the country. The railroads are put to the expense of carrying these travellers all over the United States that they may each have an opportunity in every corner of the United States of decrying the goods of one another. And this throws a side light on the evils of our present plan, for the railroads have an interest in encouraging this work. If they did not have this horde of commercial travellers to carry about the country, many of them might not be able to pay interest on their bonds. The testimony taken by the Industrial Commission furnishes admirable instances of the waste attending competitive production and the corresponding economy that would attend a Socialist system. Mr. Edson Bradley, President of the American Spirits Manufacturing Company, testifies that in the whisky business "somewhere between the distiller and the consumer in this country, $40,000,000 is lost. This goes primarily to the attempt to secure trade."[1] Now the whole capital invested in liquors and beverages is, according to the last census, $660,000,000, whereas the total manufactures amount to about $12,686,000,000. It will be seen, therefore, that the capital invested in liquors and beverages is about one-twentieth of that invested in other manufactures. If, therefore, $40,000,000 are lost in getting the trade in the liquor business, it may be inferred that twenty times this amount

[1] Report of the Industrial Commission, Vol. I, p. 829.

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—that is to say, $800,000,000—are lost in getting the trade by all the manufactures in the country. This represents only the expense of advertising in manufactures; it does not cover the advertising done by the whole retail trade, the department stores, insurance companies—life insurance, fire insurance, title insurance—real estate agents, quack medicines, and that vast body of population known as middlemen, who raise the price of commodities to the consumer and whose services would be eliminated in a coöperative commonwealth.

This latter class of advertising is very much larger than that of the manufacturer, because it is the peculiar function of the retailer to sell—to get the market—and the burden of advertising falls heavier upon him. If $800,000,000 therefore represents the cost to the manufacturer of getting the market, it is probable that the total cost of getting the market by the whole community does not fall short of twice this sum.

The advertiser practically pays the whole cost of printing and publishing the innumerable newspapers and magazines of this country. The one cent paid for such a paper as the *American* does not cover the cost of the paper alone; it is the advertisements that pay handsomely for all the rest.

Advertising would be unnecessary in a coöperative system, where practically everything would be furnished by a single industry. As the Reverend E. Ellis Carr says,[1] the United States Government does not find it necessary to advertise postage stamps. The Standard Oil no longer advertises oil. Those of us who are old enough remember how, prior to the organization of the oil trust, our fences were placarded by the rival claims of a dozen different oils: Pratt's Astral oil, etc., in letters of huge and ungainly size.

[1] *Christian Socialist.*

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The only advertising necessary would be that of private enterprises started in such industries as did not give satisfaction to the public, and these, it is to be hoped, would be relatively small.

Mr. Dowe, President of the Commercial Travellers' National League, testified[1] that "35,000 salesmen had been thrown out of employment by the organization of trusts and 25,000 reduced to two-thirds of their previous salaries. . . . The Baking Powder Trust has replaced men at $4000 to $5000 a year by others at $18 a week. . . . The displacement of travelling men represents also large loss to railways, amounting, on the estimate that each traveller spends $2.50 a day for 240 days, to $27,000,000, while the loss to hotels would be at least as much as to railways." Adding up these losses, we reach the following result:

35,000 salesmen at an average compensation (including commissions) of $3000 each a year	$105,000,000
Loss in railroad travelling	27,000,000
Loss in hotel expenses	27,000,000
Together	$159,000,000

In the few industries, therefore, in which competition has been diminished by the trust system, an economy of $159,000,000 was estimated to have been already effected in the employment of salesmen alone. And this was ten years ago. These figures enable us to appreciate the enormous economy that would result from an elimination of competition from our industries. An economy that constitutes a loss to commercial travellers, railroads, and hotels under the competitive system would constitute a pure gain to a Socialist community; for it would mean so

[1] Report of the Industrial Commission, Vol. I, Part I, p. 222.

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much more labor for production. Our present system then encourages useless expenditure, whereas Socialism would eliminate it.

Another important economy would be made in the running of public enterprises, through the absence of the necessity of collecting revenue therefrom. In municipal tramways, for example, one-half the force could be dispensed with, for the functions of the conductor are practically confined to collecting fares. A similar economy would be practised on railroads; in telegrams; no stamps would be required for postage; no costly corps of clerks for bookkeeping.

Under our system gas is furnished to our cities by gas companies, each one of which tears up the streets at great detriment to public convenience and health, to lay its mains for the mere purpose of competing with existing companies, with the result of forcing a consolidation which tends to make gas dearer instead of cheaper to the consumer. Professor Ely estimates [1] that the consolidation of gas companies in Baltimore has cost eighteen millions, of which ten millions represent pure loss.

Much the same thing is true of railroads. Professor Ely quotes a railroad manager who states that if the railways of the United States were managed as a unit instead of by competing companies, such management would effect an economy of two hundred million dollars a year; he cites, as an instance of useless paralleling of roads, the numerous railroads which connect New York with Chicago. He estimates that these lines cost two hundred million dollars, and that the maintenance of the useless lines involves perpetual loss. To-day, when railroads have doubled in length and traffic, the possible economy may well be estimated at twice this amount. He is obliged,

[1] "Socialism and Social Reform," p. 121.

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however, to admit that the paralleling of railroads results in considerable accommodation, when parallel lines pass through different places and occasion some advantage in the time-table. With many lines in the United States this, however, is not the case. The Colorado Midland parallels the Denver and Rio Grande, passing through virtually the same places, and as both are subjected to the necessity of connecting and forwarding passengers to lines at their extremities, both are obliged to run trains at the same hours. There is in this case no advantage either to the time-table or to new places.

Nor does the competition of parallel roads always furnish better accommodation to the public. Between Chicago and Denver one line is able easily to run trains from place to place in twenty-four hours; but for the purpose of avoiding a freight war with competing lines, it has entered into an arrangement with them under which it agrees not to run passenger trains in less than thirty-six hours. The public, therefore, instead of gaining, loses an advantage of twelve hours, thereby learning at no small inconvenience that competition does not always compete.

What is true of the railroads and gas companies is also true of telegraph business. The Western Union was capitalized at one hundred million dollars. It is estimated that the cost of laying the lines actually used by the Western Union was not more than twenty millions; eighty million dollars, therefore, have been wasted by the existing system, which encourages private companies to construct lines with the result of compelling other companies to buy them up. Professor Ely adds that "it cost England nearly as much to make the telegraph a part of the postoffice as it did all the other countries of Europe put together, because in these the telegraph has

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been from the beginning a part of the postoffice, and the wastes of competition had been avoided." [1]

Another most wasteful feature attending our present system is the expense of distributing goods; for example, the articles which enter most into our daily life, milk, bread, butter, eggs, meat, fish, and vegetables. Compare the method of distributing these things with that for distributing letters adopted by the postoffice. The fact that the government is the only instrumentality through which letters are distributed permits it to effect economy in time, labor, and expense by sorting the letters beforehand according to streets and confining the distribution in any one street to a single carrier, who distributes the letters door by door.

This is the economical system for distributing all things in regular use that would be adopted by the Socialist plan. Compare this now with the plan necessitated by the competitive system. Every block is served with milk by a number of milk dealers instead of by one;[2] every block is furnished with bread by a very large number of dealers instead of by one; every block is furnished with meat by a very large number of dealers instead of by one; and so on through every article which enters into our daily use.

Not only is there great waste of labor in the business of producing and distributing the necessaries of life under the competitive system, but the system itself creates a

[1] "Socialism and Social Reform," p. 120.

[2] It is stated that the retailing of milk in New York is practically confined to six companies. But the price of milk has not been reduced accordingly. The economies resulting from this combination have swelled the profits of these companies. The consumers gain nothing from it. And this is what is taking place with all trust articles.

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large class of business that absorbs much of the wealth of the community and employs a very large number of its members. For example, under a socialist system there would no longer be any necessity or advantage in insurance, whether against death or fire, or accident, or hail, or defective title, or any other danger. The reason of this is obvious: we insure against pecuniary loss arising out of these accidents because otherwise the whole loss will fall upon ourselves. In a Socialist society some of these occasions for loss would not exist at all, and those that did exist would fall upon the entire people and would consequently be inappreciable by any one member of it. For example, a man insures his life so that his children will not be reduced to poverty by his death; but in the Socialist society the widow and the child are provided for, being all of them members and all sharers in its income. Death in such a case would practically not constitute a loss to the state financially, because the number of deaths of the very old and the very young—the unproductive members of the community—is far greater than that of its productive members.

Insurance companies are beginning to understand the importance of keeping their policy holders in good health. The Metropolitan Life Insurance Company is to-day maintaining nurses for this purpose.

Another business that would be eliminated in a Socialist state is the entire business done by brokers; not only Wall Street brokers, but real estate brokers, mining brokers, and brokers of every description, in so far as they are engaged in competition. The abolition of Wall Street would carry with it the abolition of gambling in stocks which is a necessary feature thereof. No law has yet been devised, though the attempt has often been made, that would, so long as the competitive system

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endures, put a stop to gambling in stocks. A law which would successfully stop gambling in stocks would stop legitimate dealing in stocks also. But the immoral element involved in "puts" and "calls" is only an exaggeration of the immoral element involved in all industrial transactions built upon the principle of private profit. For although business can be conducted in such a way as only to furnish to those engaged in it a fair remuneration, it perpetually furnishes a temptation to contrive so that it shall furnish a large rather than a fair return. In fact, the whole struggle of business consists in endeavoring to secure the largest return of profit for the least expenditure of labor. The man who succeeds in getting the largest return for the least expenditure is the successful business man; and no man does this with more security than the next class to which attention may be called, whose occupation would come to an end in the Socialist state; namely, the bankers.

It would take too long to enter here into an accurate and fair estimate of the service rendered by the banker and the reward he obtains for it. Most writers who favor Socialism undervalue the functions of the banker. They are so impressed by the enormous incomes which bankers make that they do not appreciate the great services they render; and although, in a Socialist state, the banker *qua* banker would tend to disappear, the man who to-day does the work of a banker would, it is hoped, do the same work for the state. So that although the business of banking would disappear, the best form of government would be that in which individuals who have been discovered to be best fitted for the onerous and difficult duties of finance would be those to whom these duties would be intrusted. Whether the man best fitted to do this difficult work would be intrusted with it under the

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Socialist plan is a doubt raised as an objection to Socialism which will be considered later.[1]

Another large class of intelligent men, now engaged in carrying on the quarrels which result from the competitive system, would be left without an occupation under the Socialist plan; namely, the lawyers. With them, the hatred and vindictiveness which arise from litigation would in a Socialist society, in great part, disappear also. For lawyers constitute the class whose business it is to conduct these quarrels, and, alas! also to inflame them. When we consider that in New York city alone there are nearly ten thousand practising lawyers, and add to these the clerks, stenographers, bookkeepers, and office-boys employed by each of them, those employed in the courts, the sheriff's office, the county clerk's office, marshals, deputy sheriffs, and others; and take into account that most of these men are engaged in fighting, we cannot but be struck by the enormous advantage to the community of a system which would practically eliminate this class altogether.

I must not be understood to mean, however, that there would be no necessity for courts under the Socialist plan. Even though crimes against property were eliminated by Socialism, there would still be a temptation to commit crime, owing to sexual jealousy and in a certain degree to intemperance and idleness. It cannot be doubted that intemperance and idleness would tend to diminish with the disappearance of the misery that reduces men to the physical condition that engenders these vices, but there would still, doubtless, be some intemperance and some idleness; there would certainly remain unhappy marriages; and as every man is to remain possessed of a small amount of property there would be minute questions

[1] Book III, Chapter III.

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of property sometimes involved. But it is hardly conceivable that such questions could involve any system of justice more elaborate than that of the justice of the peace, and possibly a single court of appeal. The diminution of competition would so simplify the law that no question would be likely to arise that the parties to the litigation could not themselves explain. How little litigation would be likely under a Socialist *régime* may be judged by comparing the litigation to which the administration of the postoffice gives rise with the interminable lawsuits which result from the administration of railroads.[1] Moreover, it is to be hoped that a Socialist community would at last have leisure to study criminology and to understand that the criminal has to be treated as a sick man rather than a wicked one. The whole system of criminal procedure would be changed, and the type now known as the criminal lawyer would disappear. The existing system, under which every prosecuting officer considers his reputation involved in securing the punishment of every accused person brought before the court,[2] necessarily gives rise to a corresponding class of lawyer who regards his reputation as well as his fee involved in opposing the efforts of the prosecuting officer by any means, however unjustifiable. Of course, to the extent to which the competitive system was left standing, there would have to be lawyers to protect competitive interests. But these lawyers would be supported by the competitive system.

If, now, we consider that the large number of men

[1] This is more true of railroads in the United States than in England, probably because competing roads have not been tolerated in England to the same extent as in our country.

[2] The Thaw case furnishes an unfortunate illustration of this tendency.

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liberated by the substitution of Socialism for our present form of government would not only diminish the labor of those now engaged in production, but that it constitutes the part of our population engaged in fanning the flame of hatred in the minds of men, the advantage to a community of having this perpetual source of trouble removed will be obvious. But we are not concerned so much now with the reduction of hatred under the Socialist plan as with its economy.

Let us next pass to the consideration of the wastefulness involved in the field of production itself:

In 1894 horses in the West became so valueless that they were left unbranded by their owners, lest the branding of them involve the payment of taxes thereupon. Cattle, on the other hand, have of late risen in value; the price of them fell so low some time ago as to involve the ruin of all those largely engaged in raising them; but to-day everyone is rushing back into this business. This state of things furnishes a fair opportunity of judging how imperfectly informed the producer is as to the needs of the community. *He is only informed that the community is overstocked with an article by being ruined in the course of producing it.* This plan is not only productive of misery to a large number of individuals in every community, but is necessarily an extremely wasteful one. The object of every community ought to be to produce the things it needs, not the things it does not need. The present system, on the contrary, obliges the community to be continually producing the things it does not need as the only means by which it can arrive at a knowledge of what it does need.

For under the existing system, overproduction occasions a surplusage of things in themselves valuable, but the exchange value of which has been diminished by

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their abundance. And the producer cannot afford to keep this surplusage, because he has fixed charges to pay. He has to sell his crop at a loss because he must have money to pay rent, or interest on mortgage, or salaries, or for his own support during the year. It is this pressure he is under to sell which impoverishes him. And its consequences are far-reaching; for as the price of raw cotton goes down, cotton manufacturers are encouraged to buy, and to increase the output of their factories; and so overproduction of raw material tends to result in overproduction of manufactured goods.

In a Socialist society the industry or good harvest of one year would have for effect a diminution of labor the next; or greater comfort or luxury next year for the same labor; no man's labor would be lost, and the bountifulness of Nature would be a blessing and not, as now, a misfortune.

The efforts to prevent the overproduction of cotton in the South gave rise to a convention in 1892, regarding which Professor Ely quotes a telegram from Memphis, January 8, as follows:

"That the farmers of the South are in earnest in their endeavors to solve the serious problems of overproduction of cotton is evinced by the enthusiastic meeting of delegates to the convention of the Mississippi Valley Cotton Growers' Association, which was called to order in this city this morning."[1]

And again the speech of the President of the Boston Chamber of Commerce:

"In 1890 we harvested a cotton crop of over eight million bales—several hundred thousand bales more than the world could consume. Had the crops of the present year been equally large, it would have been an appalling

[1] Ely, "Socialism and Social Reform," p. 134.

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calamity to the section of our country that devotes so large a portion of its labor and capital to the raising of cotton."[1]

Nothing could better illustrate the evil of our present system and the benefits of Socialism than such a state of things as is described in the speech already quoted from the President of the Boston Chamber of Commerce.[2] If in a Socialist Society more bales of cotton were produced in any given year than the community or the world could consume, the community would store away the unused cotton and modify its agriculture in a manner to bring the cotton crop into proper relation to existing needs. But such an event could not be an "appalling calamity"; it could not be anything but a benefit; so much more wealth for the community; so much less labor for its citizens. And what is true of the cotton crop is equally true of all other crops. Overproduction is impossible in a coöperative community, for all the overproduction of one year would mean less work in that particular kind of production the next. Every citizen in the community would profit by so-called overproduction instead of, as now, suffering from it.

Overproduction is closely allied to invention, which, as is well known, has been a source of despair to workingmen; for improvements in machinery almost always throw large numbers of them out of employment. In India, as has been described, the destruction of handloom weavers by machinery brought about a misery hardly paralleled in the history of war; "the bones of the cotton-weavers are bleaching on the plains of India."

[1] Ely, "Socialism and Social Reform," p. 134.

[2] Book II, Chapter I. This subject has been discussed in detail in "Government or Human Evolution," Book II, Chapter II, p. 273, *et seq.*, by the author.

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Yet invention, far from bringing distress to the workingmen, as under our system it must, would in a coöperative commonwealth prove an unqualified advantage. For every invention that increases the efficiency of human labor diminishes the amount of time that must be spent in labor to obtain the same result. In a coöperative state the saving of labor is a benefit to every individual in the community, whereas under the competitive system the saving of labor is of immediate benefit to the owner of the patent alone, and means immediate distress to the laborers it particularly affects.

A standard objection to Socialism is that it would remove all stimulus to invention. This I believe to be a profound mistake.

In the first place, inventors are not always urged to invention by the prospect of financial reward. The great discoveries of humanity, at the basis of all our practical advances, were made by men who neither sought nor obtained a reward therefor. It was not with the view of making money that Newton discovered and propounded the laws of gravity, or Ohm the laws of electrical resistance. Nor do inventors to-day reap the reward of their inventions. Capitalists often have an interest in suppressing inventions; for inventions generally involve the expensive transformation of existing plants. For example, Mr. Babbage[1] describes how a patent for welding gun-barrels by machinery had long been unused because of the cheapness of hand labor; but as soon as a strike forced up wages recourse was had to the patent, which until then had been neglected.

Capitalists often prefer to dispense with an improvement rather than go to the expense which improvements generally occasion. This was the unwritten motive for

[1] "Economy of Manufacture." Babbage (London, 1832), p. 246.

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the opposition of England to the construction of the Suez Canal, and was believed by M. DeLesseps to be the motive of their opposition to the Panama Canal.[1] Again, no one who has had personal acquaintance with inventors can believe that their discoveries are to any material extent the result of financial motive. It would be difficult to imagine the conditions under which Edison and Maxim would not invent. They cannot help inventing; they are as much under a necessity to invent as a hen to lay eggs. Undoubtedly there are certain environments which favor the production and utilization of inventing types, and others that disfavor the production and utilization of such types. And undoubtedly a motive for invention is a part of the environment which does contribute to invention; but would such a motive be wanting in a Socialist society? I think it can be shown that it would not only be present, but would be a stronger motive in the Socialist society than in our own; for under our own the reward which an inventor receives for an invention is a patent, and a patent is, as all lawyers will testify, merely a subject for litigation. In other words, every man who invents a useful thing has to overcome the objections of the patent office; the objections of infringers; the objections of owners of machines which would be superseded, all three obstacles of no small order. And not until they are all overcome, if indeed, they are, is the patent likely to be a source of income to the inventor. Under the Socialist order, however, every man is interested in increasing the productiveness of society to diminish the hours of labor; and nothing,

[1] M. DeLesseps has stated that it cost England £100,000,000 to change its shipping so as to fit it for passage through the Suez Canal, and this expense applies more or less to change of machinery due to invention in every factory.

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moreover, would be easier than for a Socialist Society exceptionally to reward invention by diminishing the hours of labor due to it by the inventor.

If an inventor by any one invention shortened the hours of labor in an aggregate amount equivalent to a lifetime of his own work for the community, he ought to be relieved of the necessity of himself doing further work. If the invention were clearly due to inventive skill and not to accident, it would be to the interest of the industry in which he was engaged to furnish him with a laboratory where he could experiment with a view to further invention, as the General Electric Company does for its inventors and Mr. Westinghouse for his. There is not one inventor in a hundred but would laboriously avail of such an opportunity; for the delight of an inventor is to invent. So inventors would constitute one of the Honor group of the community. They would receive during their lives the consideration due to their inventiveness and industry. At present the enormous majority of inventors die poor and unknown. Of all the inventors in America only three that I know of are rich, Westinghouse, Bell, and Edison. Practically all the rest have been victims of their own inventive faculty. Who knows the name of the inventor of the slot machine so much in vogue to-day? His name was Percival Everitt, and he died a pauper in the street.

But we need not have recourse to argument to demonstrate that pecuniary reward is not necessary to stimulate invention. There is one profession in which a germ of self-respect has established the rule that no discovery or invention shall receive pecuniary reward—the medical profession. No doctor who wants to keep or earn a standing patents a medicine or surgical instrument. Those who do so are at once ostracized. Medicine or

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surgical inventions are deemed by self-respecting doctors too important to the community for the inventor to limit their use by patent.

If this idea of social service to-day animates the medical profession, why should it not ultimately animate other professions, other industries, other occupations? Why should it not animate them all?

Another profession has furnished the elements for all invention and has never asked a pecuniary reward—I mean the teachers. If, for example, we take such a subject as electricity, it will be found that all the fundamental discoveries that enable the modern use of electricity are due entirely to the researches of men who, out of sheer love of the work, added research to the occupations for which they were paid. Sir Isaac Newton was the first to discover the use of glass as a non-conductor of electricity. Galvani and Volta, who gave their names—one to Galvanic, and the other to Voltaic electricity—were professors in Italy. The action of the electric current on a compass needle was discovered by Professor H. O. Oersted in Copenhagen; and the nature of electromotive force, current strength and resistance, were determined by Professor G. S. Ohm in Holland. But the greatest discoveries of all were made by Faraday, who refused a title in order to remain a professor all the days of his life. Is it possible that with the record of these men before us, we can maintain the theory that gain is the only stimulus to invention? If we think a little, we shall see how essentially childish this notion is.

There are three principal motives for invention:

The desire to make money is one, but my experience of inventors has persuaded me that it is the least, and is only perceptible in inventors of the smallest caliber.

The faculty of invention is itself the determining

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motive. A man who has a faculty *must* exercise that faculty or suffer. The artist *must* paint; the sculptor *must* sculpt; the musician *must* make music; the poet *must* make rhymes. Lowell said that when he had no time to state a proposition carefully in prose, he stated it in rhyme.

No one who has worked with inventors would be guilty of the error that inventors need the stimulus of money reward. The mind of the inventor teems with inventions as a herring at spawning season teems with spawn. And as the herring must relieve herself of her spawn so must the inventor relieve himself of his inventions. One great inventor of the present day was in 1883 so fertile that the company who had secured his exclusive services paid him to go to Europe and stop inventing in order to avoid the ruinous expense of taking out his patents. The inventor is driven by two forces: a function that insists upon being exercised, and the pleasure which this exercise occasions. Every man who can do a thing well loves doing that thing. To-day when athletics bring notoriety it is very natural to conclude that men row to get this notoriety. But in the old days when there was little or no notoriety, men who could row, rowed for the pleasure of it; men who could box, boxed for the pleasure of it. So to-day because a few inventors—a very few—have become wealthy, the conclusion is drawn that inventors invent only to make money. It is a pardonable fallacy, but one that it takes very little intellectual effort to explode.

A man gifted with curiosity and imagination will forget altogether the needs of the body in his effort to attain his end. Inventors are notoriously improvident. Bernard Palissy not only forgot to eat, but to furnish food to his wife and children. Nay, he not only starved him-

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self and them, but burned his furniture to the last chair in his desperate efforts to get the glaze he was in search of. A chemist will forget mealtime and bedtime in his laboratory. There is no force in the world more compelling than the force of an idea; none to which the body is under a more complete subjection. An inventor in pursuit of a solution needs no more stimulus than a stag in the rutting season in pursuit of his doe. The theory that he does, and that it is the stimulus of money that he needs, is that of the amateur who has never seen an inventor at work, or of the bookkeeper who reduces everything—body, mind, soul, and heart—to dollars and cents.

An inventor may have been compelled to abandon research by the necessity of making money or by the difficulty of finding it. Many an one has been crushed by just such difficulties as these; and indeed it may justly be said that more inventions are lost to us by the money difficulty than are secured to us by the stimulus of a money reward.

A third motive is the desire for consideration which is at the bottom of many other desires—at the bottom even of the desire for money itself. For if we analyze the desire for money we shall perceive that it includes two very different motives: the motive of prudence—the desire to secure the comforts and luxuries of life; and the motive of ambition, or the desire for the consideration of others. Now the former is the first in time, for a man must begin by securing the material things of life. But once these are secured the motive that keeps men making money is desire for consideration. And this desire, though evil when excessive, is in moderation one of the greatest of human virtues; for it sets men upon deserving the affection of their neighbors and promotes unselfishness and self-sacrifice. One of the curses of the competi-

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tive system is that the desire for consideration, which in its essence is a virtue, is converted by our money system into a vice, because money is the chief instrument in securing consideration.[1] More will have to be said on this subject later. Here we may content ourselves with noting that in a Socialist society consideration will be secured not meretriciously through money, but deservedly through service. The inventor who shortens hours of labor for the community will belong to the Honor Roll. He will secure this recognition not after having forced his invention on the capitalist and fought its merits through the courts, created unemployment for his fellows, and crushed competition out of the field his patent covers—but directly from the industry he has benefited, without the waste that attends the establishing of patent rights to-day. The inventor under Socialism will have a stronger stimulus than he has to-day; for the chances of securing livelihood and consideration are certainly not more than one in a hundred, whereas under Socialism they will be a hundred to one. There will not be the opposition of invested capital to overcome; nor the hostility of his fellow-workman; nor the villainy of the infringer. If his invention can reduce the hours of labor or otherwise benefit the community, it will be hailed with delight and honor. And so even though he need no stimulus he will under Socialism have it; for his reward will be prompt and secure.

Moreover, as Professor Ely has pointed out, the tendency of invention in a Socialist state would be to replace work which now involves drudgery by machinery that would tend to lessen or eliminate it.

If it were conceivable that a law could be made or enforced requiring that millionaires, and none but million-

[1] Book III, Chapter II.

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aires, were to serve as stokers, there is no doubt that all the ingenuity in the land would at once be put to making the work of stoking less detestable than it now is; if necessary, naval architecture would be so reformed from top to bottom, as to reduce the work of stoking to that pressure of a finger upon a button which is the only physical work imposed by modern conditions upon the millionaire to-day.

The improvements due to invention would in a Socialist society differ, perhaps, in character but not in quantity, for invention obeys the particular stimulus which gives rise to it. Thus Karl Marx points out[1] that mechanical traction was not introduced into mines until a law forbade the use of women and children there, and the "half-time system stimulated the invention of the piecing-machine," thereby replacing child labor in woolen-yarn manufacture. Again, immense improvements have been made in charging and drawing gas retorts, owing to labor troubles, and there is no doubt that all arduous work would soon be made less arduous if we all had to take a turn at it.

The objection that Socialism would destroy the stimulus to invention has been treated at what may seem disproportionate length on account of its extreme importance. For it is owing to human inventiveness that production to-day tends to outstrip consumption. Of all the speculations upon the possible advantages of a new social order those which concern themselves with the shortening of the average working day are the most fascinating, yet the most dangerous. They are fascinating because, of the many afflictions of the present order it is the excessive workday that we feel most, for it is that which robs so many of us or our meed of personal

[1] "Capital," Part IV, Chapter XV.

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life; and we know that any reduction of the hours of labor would mean an immediate increase in the quantity, and an ultimate increase in the quality, of our life. But they are dangerous speculations because they probe to the very heart of that wonderfully complicated economic process which we call Capitalism. To make any scientific estimate of the social labor time required to produce the commodities socially necessary for our health and happiness would require an elaborate and intimate investigation of the most secret details of industry, trade, and transportation, such as there is little likelihood of ever being made. Nevertheless, it is possible, in the light of some data already at our command, to get a suggestive glimpse into the probabilities of the situation.

The 13th Annual Report of the Bureau of Labor is an exhaustive study of the actual time required to produce some 600 different commodities, ranging all the way from apple trees to loaves of bread and shingles. The principal object of this Report was to compare the cost of production by hand with the cost of production by machine; and it has demonstrated the enormous progress that has been made in the art of production by the substitution of machine for hand labor. For example, before the introduction of machine labor it took about sixty-three hours and a half to produce thirty bushels of barley; whereas to-day, with the use of machinery, the same amount can be produced in two hours and forty-two minutes (p. 24–5). The Report, in estimating the cost of producing, includes breaking the ground, sowing and covering seed and pulverzing topsoil, hauling water and fuel for engine, reaping, threshing, measuring, sacking and hauling to the granary (p. 432–3).

Having these figures it would seem to be a very simple matter to ascertain the total time required to produce

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the various commodities consumed by the average workingman's family. It would seem as though all we had to do was to make out a list of these commodities, get the time cost of each from the Report and add these together to get the total. Unfortunately, however, the Report does not cover all the items which would have to be included in this list of necessaries; and to make an estimate from a single commodity or from two or three commodities would be a little dangerous, because some of the commodities have much higher time values than others and would therefore introduce many elements of uncertainty.

But we may approach the question from another standpoint. The Report does furnish the time value of ten of the principal crops and of bituminous coal. Let us, then, restate the problem in the following form:

Assuming social ownership of land (including bituminous coal lands) and modern machinery, how many hours' labor per day would be required to produce enough of the principal crops to sell at farm or mine for a sum sufficient to buy the necessaries of existence for the average family?

The first step, obviously, is to determine what constitutes the necessaries of existence for the average American family. Here again we may resort to official statistics. In the year 1900–01 the U. S. Bureau of Labor entered upon an investigation of the income and expenditure of the average American family. Agents were sent out all over the country to collect data at first hand. These agents got reports from some 25,440 families, and the figures are tabulated and summarized in the 18th Annual Report of this Bureau.[1]

These 25,000 families had the necessaries of existence,

[1] Issued by the Government Printing Office in 1904, entitled. "Cost of Living and Retail Prices of Food."

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we know, simply because they managed to live, survive, and reproduce. Their average income was $749.50; their average expenditure, $699.24, thus representing a saving of $50 a year. But many of these families had boarders, many had grown-up children or wife at work, many had lodgers, so that the income was artificially increased or diminished by these factors. There were, however, 11,156 families among these which the report designates as "normal"; these were distinguished by the following characteristics: a husband at work; a wife at home; not more than five children—none over 14 years of age; no dependents, boarders, lodgers, or servants (p. 18). Good units, you see, from a statistical standpoint. Now, the average income of these normal families was $650.98; the average expediture $617.80.[1]

Here, then, we have over 10,000 families, of five persons each, who manage to live on $617.80 a year, without resorting to crime or charity. That they live in straitened conditions is undoubtedly true, but they are by no means submerged, for in their coöperation with the agents of the Bureau of Labor they all displayed qualities of intelligence which are not to be found among the submerged. In short, they were average self-respecting American workingmen's families.

But let us assume that $617.80 is inadequate; let us provide a margin of safety by allowing $800 as the minimum for procuring the necessaries of existence.[2] Below is a table showing time cost per unit (bushels or pounds) of ten principal crops and of bituminous coal. This is

[1] "Cost of Living and Retail Prices of Food," pp. 18, 90–102, 516–93.

[2] "The Standard of Living Among Workingmen's Families in New York City," by Robert Coit Chapin, Ph.B., Charities Publication Committee, 1909, p. 178, *et seq.*

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derived from the tables on pages 24–25 of the 13th Annual Report of the Bureau of Labor, which are assumed to be accurate.

Commodity.	Quantity.	Time Cost.		Unit.	Time Cost in Minutes.
		Hrs.	Min.		
Barley	30 bush.	2	42.8	1 bush.	5.427
Wheat	40 "	6	17.4	1 "	9.435
Hay	2 tons	15	30.5	1 ton	465.25
Oats	40 bush.	7	5.8	1 bush.	10.645
Rice	60 "	17	2.5	1 "	17.042
Rye	25 "	25	10	1 "	60.40
Corn	80 "	42	38.1	1 "	31.97
Potatoes	220 "	38	.....	1 "	10.364
Tobacco	2,750 lbs.	606	5.1	1 lb.	13.22
Cotton	1,000 "	78	42	1 "	4.72
Bit. Coal	200 tons	379	36	1 ton	113.88

Having the time cost per unit of each of these commodities, let us now ascertain the time cost of the total crops of these produced in the United States. This is exhibited in the table on the next page, which is derived from the figures given in the Year Book of the Department of Agriculture, 1907, p. 668. These, too, are assumed to be accurate.

We see from this table that the total time cost of these principal crops, if produced with modern machinery on a large scale, would be 185,759,513,000 minutes, and that the money value of these commodities, sold at farm or mine, is $3,214,510,707.

If, then, it would require 185,759,513,000 minutes' labor to produce $3,214,510,707 worth of commodities, how much labor would be required to produce $800 worth of these commodities? This is a problem in simple proportion:

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\$800 : \$3,214,510,707 : : x minutes : 185,759,513,000 minutes. Working this out we find that x equals 46,230 minutes or 770 hours and 30 minutes. Estimating 300 working days to the year, this would seem to indicate that a social work-day of 2½ hours should be sufficient to procure the necessaries of existence, valuing these at \$800.

Commodity.	Average Annual Production 1898–1907.	Average Total Value on Farm Dec. 1, 1898–1907.	Time Cost in Minutes.	Unit.	Total Time Cost in Thousand Minutes.
	Millions				
Barley. . .	117 bush.	\$53,872,896	5.427	1 bush.	633,959
Wheat. . .	642 "	444,206,221	9.435	1 "	6,057,270
Hay.	59 tons	524,124,456	465.25	1 ton	27,449,750
Oats.	841 bush.	265,595,639	10.645	1 bush.	8,952,445
Rice.	18 "	14,594,913	17.042	1 "	305,756
Rye.	29 "	16,527,099	60.40	1 "	1,751,600
Corn	2,309 "	953,158,114	31.977	1 "	73,834,893
Potatoes .	255 "	134,236,563	10.364	1 "	2,642,820
Tobacco .	743 lbs.	59,548,881	13.22	1 lb.	9,822,460
Cotton. . .	5,233 "	457,787,442	4.72	1 "	24,699,760
Bit. Coal .	260 tons	290,858,483	113.88	1 ton	29,608,800
		\$3,214,510,707			185,759,513

Before accepting the above conclusion, however, it will be necessary to make proper allowances for some important factors. First, the figures quoted from the Report do not include time spent on bookkeeping, upkeep, and repair of machinery, the time cost of the raw material, of the machinery, etc. All these items are certainly important, but we may safely assume that, taken together, they would probably not increase the total by fifty per cent. If, then, we allow an additional 1¼ hours for these items, thus making the work-day 3¾ hours, we shall be well within reason.

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Second, it is to be inferred that the ten crops for which the 13th Annual Report furnishes the time value were produced under unusually favorable conditions, if not actually on "bonanza" farms. It is true that the introduction (p. 12) affirms, in a blanket clause, "that the effort was made to ascertain, not the quantity of work that could be done under the most favorable conditions, but what was being accomplished steadily in everyday work"; nevertheless, in the absence of more specific information as to the actual conditions under which the units under discussion were farmed, we cannot ignore the doubt that arises in our minds. We may, however, offset this by two other factors which were quite conservative in our estimate: (1) In adopting the sum of $800 as a measure of the necessaries of existence, we have, as already shown, allowed nearly a third over and above the sum ($617.80) actually ascertained to be requisite in the years 1900–1901. (2) The figures in the 13th Annual Report are based upon investigations made from fifteen to twenty years ago, between 1890–95. The steady improvement in agricultural machinery which has been made since then would undoubtedly reduce the present time cost of these commodities very materially. It is not unreasonable, then, to urge that these factors counterbalance each other; but in order to be on the safe side let us add another quarter of an hour, thus making the probable work-day consist of a round four hours.

We seem, then, to have warrant for believing that if agricultural production were socialized to-day a 1200-hour work-year would suffice to produce the necessaries, and an 1800-hour year, many of the luxuries, of existence for the community. This, arranged to suit the exigencies of agricultural production, might mean a twelve-hour work-day for four or six summer months, as the case may be.

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Does this seem Utopian? Granted: all speculations of this sort must seem Utopian. And yet, if we look back a few centuries, we shall find, according to no less an authority than Thorold Rogers ("Six Centuries of Work and Wages"), that the English workman, during the fifteenth century and the first part of the sixteenth, lived, and lived well, on the product of an eight-hour-day. Is it, then, so fantastic to suppose that modern machinery, under a socialized system of production, could cut this day in two?

The objection may be raised that this estimate is one-sided because it is based on figures for agricultural production only, whereas industrial production is really the more important half of the modern economic process; and that therefore the generalization could not apply to the whole economic process in a coöperative commonwealth.

It is true, as already pointed out, that we do not have comprehensive data for all, or nearly all, the industrial products in actual use in the average household. But we have posited, hypothetically, a socialized agricultural community producing a quantity of goods which it can sell at the farm for an average $800 per family; this $800 sufficing, when brought to the village store or forwarded to the city, to buy the necessaries of existence for the family *at retail*. Now it is well known that under present conditions the retail price of any manufactured article comprises about one-third for actual cost of production, one-third for manufacturer's profits and accounting costs, and one-third for selling costs. In other words, every such article, when it reaches the ultimate consumer, is weighted down with a load of barnacles of trade-profits of innumerable middlemen, rents, dividends, cost of advertising, and other trade-getting devices, etc., etc.

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Part of this cost of distribution is undoubtedly legitimate and could not be dispensed with under any organization of society, no matter how scientific. The man engaged in producing the necessaries of life will always have to support the man engaged in transporting and distributing them, and the man engaged in manufacturing and repairing the machinery and other instruments of production necessary thereto. But it is impossible to believe that this auxiliary corps will ever, in a rational system of production, consume two-thirds of the ultimate retail value of most goods, as it does to-day.

It would seem, therefore, that if the industrial community organized itself in the same fashion as our hypothetical agricultural community, the exchange value of its products, whether stated in terms of social labor, time, or money, or any other standard of value, would actually be lower than our estimate assumes. By how much our four-hour work-day would be reduced we have no means of determining, but it could hardly be increased.

Probably, therefore, four hours will constitute the average daily labor in a coöperative commonwealth, and these ought to be sufficient to give to every citizen not only the necessaries and comforts now enjoyed by the middle class, but some of the luxuries enjoyed only by the millionaire.

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CHAPTER II

ECONOMIC CONSTRUCTION OF THE COÖPERATIVE COMMONWEALTH

FEW things deterred me from a study of Socialism more than the prevailing error that it necessarily would subject us all to the tyranny of a state which would, because it owned all the sources of production, be able to dictate to every one of us the kind of work we should do and the hours during which we should do it. It must be admitted that this is the Socialism described by many authorities, amongst them Schäffle, in a book still widely read, entitled the "Quintessence of Socialism." But this book loses some of its authority when we remember that Schäffle followed it with another, entitled "Why Socialism is Impossible"; and assuredly the state Socialism described by Schäffle is extremely unattractive to the bourgeois mind.

It is not so unattractive to the workingman, because he now has these things determined for him by his employer without having any security of employment. State Socialism, therefore, has no terrors for him. On the contrary, as the workingman expects that the Socialist society will be controlled by workingmen, he expects to that extent to be his own master; that is, he will control the society that controls him.

State Socialism, therefore, is the form probably most in vogue amongst workingmen. They have not before

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their minds the history of previous revolutions which have for the most part only substituted one set of masters for another. They cannot be expected, therefore, to appreciate the profound change that comes over men when put into positions of power, the temptations to which they are exposed, and the errors which even the best intentioned are likely to commit.

I do not mean to condemn state Socialism; for state Socialism veritably controlled by the people would probably furnish better government than that which we are now given at the hands of capitalists. But I shall not attempt to describe the economic structure that would prevail under state Socialism, because it has been already described; whereas I do not think that there has been any effort made to describe a coöperative commonwealth in which the state would have very little more power than that enjoyed by the government in England or Germany to-day.

The difficulty of assigning tasks and of determining wages which makes Socialism impracticable to the bourgeois mind is a pure fiction, encouraged, I admit, by many Socialist writers who imagine that Socialism can only come by a sudden and violent transfer of political power from the capitalist to the proletariat, called revolution. As will more fully appear in the next chapter, the Political Aspect of Socialism, such a revolution is by no means necessary; for the coöperative commonwealth, as I understand it, need not be introduced by any sudden transfer of political power whatever.

In one sense, indeed, Socialism has in part come. The *laissez faire* school had barely announced their doctrine and proceeded to legislate in accordance therewith, before the abominable consequences of the *laissez faire* doctrine became so obvious that steps had at once to be taken to

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put an end to it. So the idea that a man could do what he liked with his own, which resulted in working women in mines to an extent which reduced them to the condition of the lower animals, the use of children in factories to a degree imperilling the future of the race, the reduction of men to starvation wages, the pollution of rivers by factory products, the spread of cholera by unwholesome dwellings—all gave rise to a series of legislative acts which limited the right of a man to exploit women and children, compelled landlords to maintain sanitary dwellings, and prevented the pollution of waters by factory products altogether. All this legislation was an unconscious tribute to that solidarity of the human race which is at the root of Socialism.

Nor was this all. The state and city could so obviously perform certain functions better and cheaper than private corporations that enterprise after enterprise was slowly taken from individuals and assumed by the state. The postoffice was the foremost of these. The municipalisation of gas, water, and trams, the nationalization of railroads, telegraphs, and telephones, have been pursued as purely economic measures rendered necessary by considerations of social welfare.

Indeed, England has been rushing towards Socialism with such rapidity that increasing rates gave the capitalists an excuse for frightening the public with threats of bankruptcy, and occasioned the reaction in municipal progress through which the country is now passing. But the forces behind Socialism are so overwhelming that they convert its very enemies into its unconscious prophets, priests, and promoters.

Mr. Roosevelt, who has so lately entered the lists against Socialism, is with the exception perhaps of Pierpont Morgan and Rockefeller, the greatest practical

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Socialist in America. When Mr. Roosevelt called together the Governors of the States to consider what steps, if any, could be taken to prevent the shameful waste of our national resources by capitalistic enterprise, and when Mr. J. J. Hill in a remarkable summary counted up the awful loss to humanity involved in this waste, neither appears to have been aware that they were demonstrating to the world not only that Socialism was good, but that it was indispensable. When Rockefeller brought together the distillers of oil into a single deliberately planned body, eliminating the waste of individual competition, he does not seem to have been aware that he was demonstrating the amazing advantage of eliminating competition and slowly preparing an industry for nationalization. When Mr. Morgan did the same thing for the Steel Trust, and the Coal Trust, and when he tried to do the same thing for the railroads until checked by a blundering government,[1] he, too, was unaware that he was demonstrating the failure of the very capitalistic system for which he stands. So the idol they themselves set up for worship they are engaged in smashing all to pieces; and they none of them see the humor of it.

When a horse refuses to return to his stable and balks when brought to its door, a simple device overcomes his resistance: His head is turned away from the door and he allows himself to be shoved without opposition hind end foremost into the stable which he declines to enter in the more usual way.

Roosevelt, Rockefeller, and Pierpont Morgan are just like this balky horse. They loudly proclaim that under no consideration whatever will they proceed front side forward, and yet in the middle of these protestations they are going hind side forward faster than perhaps is prudent.

[1] See Northern Securities Case, 193 U. S.

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The difference between Socialists and Messrs. Roosevelt, Rockefeller, and Pierpont Morgan is that Socialists consider it more dignified to move front side forward; more intelligent to see plainly where they are going, and proceed deliberately of their own motion instead of being pushed there backward by forces they pretend to ignore.

§ 1. How Socialism May Come

The many theories proposed as to how Socialism may come, can be generally classified into two: that it will come by revolution and that it will come by successive reforms.

The so-called Marxian school calls itself revolutionary, and undoubtedly many members of this school are revolutionary, and have the idea that Socialism will come by revolution—by violence—while among the more thoughtful, this word is used to mean that Socialism will constitute revolution because it will transfer power from the exploiting class to the exploited class.[1] Others have confused ideas of the meaning of the word revolution in which the element of violence and that of the transfer of political power are more or less mixed. Socialism, of course, involves a transfer of political power, and since such a transfer is revolutionary, Socialism may be properly called revolutionary, though its coming may not be attended by violence. Many authors believe that Socialism will come by the use of extra political methods—not by successive reforms introduced by parliamentary methods, but by a general strike, or the conversion of the army, or adroit use of the conditions produced by war (as in Russia after the Japanese War).

Some, again, believe that Socialism may come by the

[1] Kautsky, "The Social Revolution."

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development of a secret society which will secure the support of a sufficient number of those in the possession of our military stores and military places to permit of a conquest of political power by force. To those it may be suggested that the days for the success of secret societies are over. Capitalistic society possesses machinery in the shape of the press and the secret service which would make the success of a secret society impossible. The slightest indiscretion of one of its members under feminine influence or that of drink would be sufficient to break up the entire plan.

The capitalists are in possession of the army, the navy, the police, the militia, and above all, the weapons with which to arm all these. Recourse to bullets seems unnecessary and dangerous when our enemy has the bullets and we have not, all the more when the work can be equally well done with infinitely less disorder and agony if we only have recourse to the ballots which we have and they have not.

When a sufficient number of men are persuaded that Socialism is the best solution of our present economic evils, they can get what they want the day they choose to use the ballot for that purpose; whereas recourse to violence would lead not only to immediate disaster, but to an indefinite postponing of the desired result. For a very large part of our population which would, then, as now, be in doubt as to the wisdom of adopting Socialism, would certainly be driven by violence into the capitalistic fold and a period of capitalistic reaction would result. This has been observed in so many revolutions in the past that it is unnecessary to insist upon it here.

This must not be interpreted, however, as intending to eliminate violence as a possible factor in the coming of Socialism. Had Haywood been convicted it would have

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created an indignation so profound that a very widespread and dangerous uprising might have taken place, and although it would have been quelled, still, it is probable that such an uprising might have led to Socialistic legislation. It is as impossible to state beforehand how large a part violence will play in the coming of Socialism as to state how much contributed to remedial legislation in Ireland—the violence of 1798 and the 60's, or how much the parliamentary tactics of Parnell.

Socialistic legislation is of two very different kinds, and these must be carefully distinguished. Bismarck inaugurated Socialistic legislation such as national insurance, intended, by taking away part of the grievance of the workingmen, to diminish their discontent and their reason for espousing Socialism.

Indeed, since the beginning of the nineteenth century legislation more or less Socialistic has been enacted in every civilized country in the world, partly owing to the *bona fide* desire on the part of legislators to put an end to evils that shocked their moral sense, but perhaps far more by legislators who thought to satisfy Cerberus with a sop. Socialistic legislation, therefore, enacted by capitalistic legislators for the purpose of appeasing popular discontent, does little towards promoting Socialism. Some Socialist writers claim that it does nothing to this end, but this view is extreme and I think incorrect. For example, it would be impossible for Socialism to come without violence had not the nations of the world been slowly conferring the franchise upon the class in whose interests and through whom Socialism will come. Socialistic legislation of a character to put the political weapon in the hands of the people, through which they can secure the transfer of political power from those who now enjoy it to themselves, is of the utmost value. Indeed,

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it is of so much value that those Marxian Socialists who protest against all compromise with capitalistic parties must have forgotten that it is through the capitalistic parties, and through compromises of Socialists with capitalistic parties, that these measures of political reform have been enacted. In Belgium to-day the Socialists are combining with the Radicals to wrest universal franchise from the Catholics.

Again, Socialistic legislation which improves the condition of the working class, though it takes away a part of their grievance and does, to that extent, diminish the incentive to Socialism, nevertheless strengthens the workingmen, raises their standard of living and of thought, and gives them the very education and equipment they need in order to become Socialists.

Nevertheless Socialistic legislation obtained from capitalistic legislators can never effect the final transfer of political power from the exploiting to the exploited class without which no Socialist commonwealth can be secured. Here, therefore, we see the elements which confuse this question of revolution and reform. The Marxian Socialists in Germany have seen Socialistic legislation enacted year after year and have seen it, by diminishing evils, tend to diminish enthusiasm for revolution. Moreover, revolutionary German Socialists, conscious that they have to destroy the existing political machinery represented by the Emperor, the nobles and the church; conscious too, that the farmer class is essentially capitalistic in its temper and thought, and despairing therefore of getting a parliamentary majority, naturally look to extra political methods as the only ones at their disposal.

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§ 2. Reform and Revolution

There is great and regrettable confusion as regards the words reform and revolution. The Socialist party calls itself revolutionary, and as revolution is connected in the minds of most people with violence, the popular impression is that the Socialist party stands for violence. This is a profound mistake. The whole subject has been well treated by Kautsky, an authoritative leader of the Socialist party; and he distinctly disavows violence. Revolution to him is a "transfer of political power from one class to another." The French Revolution transferred political power from the king, the noble, and the church to the bourgeois. The Socialist revolution is to transfer political power from the bourgeois to the proletariat.

Here a word of caution must be said: Socialist literature is written for the most part by the proletariat for the proletariat; and it is natural that it should abound in just such phrases as these. Not that the phrase is wrong or incorrect; rather is it incomplete. To-day, in France the Republic is largely supported by the nobles of yesterday; so also will the proletarian government of the Socialist revolution be largely supported by the bourgeois of to-day.

The word revolution, therefore, is used here not to convey the idea of violence, but rather in the sense of the revolution of the planets, or of the seasons. It is as it were the closing of one cycle and the beginning of another. There is, of course, a great difference of opinion as to how this revolution is to be effected—whether by parliamentary methods or extra-parliamentary methods such as strikes. Into this subject, however, this book,

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being addressed to non-Socialists rather than to Socialists, will not enter. It is purely a question of tactics and may be said to have been solved in America for the present by the very existence of a Socialist party which puts up candidates at every election wherever feasible in order to do what can be done in the direction of Socialism by constitutional methods.

There is, however, another use of the word revolution concerning which it is of the utmost importance to be clear. Socialists often say that "Socialism must come by revolution and not by reform." What is exactly the meaning of this sentence? What is the difference between reform and revolution?

Reformers proceed upon the assumption that the competitive system is good and that capitalists can be entrusted with the task of reforming it so to eliminate its admitted evils. The revolutionary Socialist on the contrary says that the competitive system is bad and that the capitalist cannot be entrusted with the task of putting an end to it. So he decries mere reform and insists upon nothing less than revolution, the transfer of political power from the capitalist to the people at large. There is thus between the reformer and the revolutionary Socialist a difference of principle; the one upholding the competitive system and the other denouncing it.

But there is also another difference of hardly less importance between the reformer and the revolutionary Socialist—a difference of method. A bourgeois reformer has no preconceived plan of reform. He hits at every evil like an Irishman at a fair—as he sees it. Governor Hughes, who belongs to this class, thought in 1908 that race track gambling was the greatest evil of existing conditions and devoted the entire session of the legislature to an anti-race track gambling bill which he triumphantly

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passed, only to see it nullified at the first opportunity by the courts. In 1909 he thought that a primary election bill was the most important reform; but this primary election bill failed to pass. The legislature, very much under his guidance, spent two years in passing a useless anti-race track gambling bill and refusing to pass a primary bill, although during these two years at least 200,000 men have been seeking employment and not finding it, and a population therefore of about a million [1] in New York State alone has been on the verge of starvation in consequence.

The most striking feature of the bourgeois reformer is his lack of sense of proportion; but there is a reason for it. Unemployment is not a popular subject with the class to which Governor Hughes belongs. As an evil it is too merciless; as a resource it is too unavowable.[2] So it is impossible to get any legislature in any State in this Union effectively to consider the subject of unemployment.

The Socialist, on the contrary, has a definite preconceived plan of legislative enactment. While the reformer, however well-intentioned and intelligent, is hacking away at random at the jungle of evils in which the competitive system encompasses him, and hardly ever attaining any substantial progress, the Socialist has his course directed for him by the polar star. He regards such bills as anti-race track gambling as a waste of time. Race-track gambling is a necessary and poisonous fruit of the competitive system. It is useless to attack the fruit and leave the tree standing. The only legislation, therefore, that interests the Socialist looks towards putting an end

[1] Upon every breadwinner there are on an average four persons dependent—the aged, women, and children; 200,000 unemployed is therefore equivalent to 1,000,000 in want.

[2] See Book II, Chapter I, Unemployment.

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or a check to the competitive system that results in the exploitation of the Many by the Few. And of all the evils the one that has stood out most startling and appalling during the last two years is the evil of unemployment.

The immediate demands of the Socialist party published at the end of the Socialist platform,[1] indicate the character of measures which the Socialists urge. In one sense these are reforms, many of which Governor Hughes favors, but they all tend towards one definite end—the limitation and ultimate suppression of the competitive system with the exploitation of the Many by the Few. In one sense, therefore, Socialists are reformers, but revolutionary reformers; all their reforms look towards the transfer of political power from the Few who exploit political power for their individual benefit, to the Many who will utilize political power for the benefit of all.

Having indicated the difference between reform and revolution, let us consider how far the Socialist is justified in saying that the competitive system is so bad that it cannot be improved—that it must be replaced altogether.

When a wagon is thoroughly worn out, it is useless to repair it; for if one part is strengthened it throws the strain upon a neighboring part which breaks down; and if that part is strengthened it throws the strain upon another which again breaks down. It is possible by intelligently renewing various parts of the wagon upon a preconceived plan, eventually to replace the broken-down wagon by an entirely new one; but the difficulty of doing this is extreme, and the wagon when so reconstructed, being composed of parts of different ages, must again give way at its most worn part. So experience indicates that it is better to throw a fairly used-up wagon on the junk heap and build a new one in its place.

[1] See Appendix, p. 412.

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Reform measures such as we have had under former administrations resemble an effort to patch up a worn-out wagon; for a reform measure directed at one evil is found to produce other evils very apt to be as great, if not greater than those that the measure is trying to suppress. Not many years ago a society for the suppression of vice made a crusade in New York upon vicious resorts. Such resorts are abominable; they should not exist in an orderly community. But attacking these resorts, without attacking the conditions that created them, only distributed the evil all over the city, involving a pernicious contact with unperverted youth.

Again, the difficulty of reconciling Sunday closing of barrooms with furnishing *bona fide* travellers at hotels with refreshments was solved in New York by the Raines law, which defined a hotel by establishing a minimum of bedrooms. The result was that to almost every barroom there is attached this minimum of bedrooms to permit of the sale of liquor on Sunday; and this effort to secure Sunday closing has resulted in converting the barroom into a house of prostitution.

Again, legislation for putting an end to the awful congestion and filth of the New York city tenements has by imposing upon the landlord expensive repairs, raised rents, so that, although the tenement dweller is little benefited because of evasion of the law, his rent has been uniformly raised.

In the chapters on the Scientific and Ethical Aspects of Socialism, an effort will be made to show why the competitive system is essentially bad and must remain bad so long as acquisitiveness is deliberately made the dominating motive of human activity; and how by modifying economic conditions we can secure all the

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benefits of a tempered acquisitiveness without the appalling results of an acquisitiveness that knows no bounds. This argument belongs, however, to the constructive argument for Socialism, and we have not yet completed the destructive argument against existing conditions. For there are two further illustrations furnished by recent efforts to curb competition which not only tend to demonstrate the hopelessness of the task, but throw light upon existing conditions and impending dangers. I refer to the rate law and legislation tending to control monopolies—to the inevitable tyrannies of the trust and the trade unions and the irreconcilable conflict between the two.

§ 3. Possible Transitional Measures

I shall describe the coöperative commonwealth on the theory that it is to come gradually, not because I consider this the only way for Socialism to come, but one of the possible ways and the one most intelligible to the bourgeois mind.

Morris Hillquit and John Spargo have given good sketches of the Socialist state.[1] I shall adhere closely to their views, emphasizing and detailing them; and I am the more glad to adopt this plan because both are members of the National Executive Committee of the Socialist party and will not be accused of taking the bourgeois view of Socialism; whereas because I have been a bourgeois, I am likely to be accused of this.

Mr. Spargo begins by repudiating the idea of the Socialist state as a "great bureaucracy" and declares

[1] "Socialism." By John Spargo, p. 217.
"Socialism in Theory and Practice." By Morris Hillquit, Chapters V and VI.

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the Socialist ideal to be a "form of social organization in which every individual will enjoy the greatest possible amount of freedom for self-development and expression; and in which social authority will be reduced to the minimum necessary for the preservation and insurance of that right to all individuals."

The rights of the individual Mr. Spargo summarizes as follows:

"There must be perfect freedom of movement, including the right to withdraw from the domain of the government, to migrate at will to other territories; immunity from arrest, except for infringing others' rights, with compensation for improper arrest; respect of the privacy of domicile and correspondence; full liberty of dress, subject to decency; freedom of utterance, whether by speech or publication, subject only to the protection of others from insult, injury, or interference with their equal liberties. Absolute freedom of the individual in all that pertains to art, science, philosophy, and religion, and their teaching, or propaganda, is essential. The state can rightly have nothing to do with these matters; they belong to the personal life alone. Art, science, philosophy, and religion cannot be protected by any authority, nor is such protection needed."

On the other hand, he summarizes the functions of the state as follows:

"The state has the right and the power to *organize* and *control* the economic system, comprehending in that term the production and distribution of all social wealth wherever private enterprise is dangerous to the social well-being, or is inefficient; the defence of the community from invasion, from fire, flood, famine, or disease; the relations with other states, such as trade agreements, boundary treaties, and the like; the maintenance of

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order, including the judicial and police systems in all their branches; and public education in all its departments."

The state, according to Mr. Spargo, is not to *own* all sources of production (this is state Socialism); but is to have the right and power to *organize* and *control* the economic system. There is between these two statements all that distinguishes the crude Socialism of the nineteenth century from the practical Socialism of to-day. This is emphasized by Mr. Spargo when he states that "Socialism by no means involves the suppression of all private property and industry"; and the further recognition that the "Socialist state will not be static"; that is to say, it will not once for all decide that certain industries must be socialized and certain other industries be left to individual initiative.

The dominant factor that will determine these things is the public welfare. When private property in a particular thing is found injurious to public welfare, it will be taken over by the state for the purpose of being socialized, as will hereafter be explained. When it is deemed that private property in a public industry is injurious to public welfare, this industry will be socialized. When, on the contrary, it is found that by socializing an industry the advance of that industry tends to be paralyzed, private initiative will be encouraged to enter into that industry. Indeed, the economic structure of the commonwealth will be such that inefficiency in a socialized industry will automatically give rise to the competition of private initiative therein.

I have used the expression "socialized industry." It is above all things important that we should be clear as to what these words mean; for it is the socialization of industry which is the modern substitute for the Social-

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ist state. We cannot understand this better than by taking a concrete example.

Let us assume that the public has become convinced that a few individuals have already too long grown inordinately rich out of the refining and distribution of oil, and that the time has come for this industry to be socialized. The old theory was that the state would expropriate this industry and become the employer of all engaged in it. It is argued in favor of such a system that if the state can be entrusted with the distribution of letters, it can also be entrusted with the distribution of oil; and this is undoubtedly true. But if this same argument is applied to all industries it will expose the state to two great dangers: the state will be overburdened by the multiplicity and vastness of these tasks; and the state will become despotic. And because this task is greater than any one set of men can properly perform; even though the intentions of the members of the government be the best possible, errors of judgment and errors of detail will involve the state in injustice and discontent.

This difficulty can be met by not putting all these functions upon the state, but by so providing that the men shown in the past best able to handle a particular industry should continue to handle it. The socialization of the Standard Oil industry would simply mean the elimination of capitalistic control and exploitation. In taking over the oil industry, the state would doubtless adopt the method already adopted in taking over railroads, etc. A board would be appointed to take expert testimony as to the valuation of the industry, to determine the real value of every share. It would be called upon to value every stockholding with a view to determining to what compensation each stockholder was entitled;

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because a distinction will have to be made between various classes of stockholders. Some stockholders have purchased their stock out of the economies of an industrious lifetime. They depend upon the dividends from such stock to support their old age. To cut down the income they derive from this stock might not only work an injustice, but work an injury to the commonwealth; for if these stockholders had not sufficient income to support themselves, they would become a burden on the state. Other stockholders would be found to have sufficient wealth to support a considerable reduction in the valuation of their stock without hardship. Others again would have such enormous wealth, that, having much more income than they can possibly spend, the reduction of their income would mean no hardship save that of depriving them of *power* for the most part exerted at the present time injuriously to the commonwealth.

Experts, therefore, appointed by the state to make estimates with a view to the transfer of an industry from private to social ownership will have two distinct functions to perform: the function that boards of experts in similar cases perform to-day, to estimate the actual value of the property; and to estimate the wealth of the respective stockholders and classify stockholders according to wealth with the view of effecting the transfer from private to social ownership without injustice to the individual or injury to the commonwealth. It is probable that compensation to stockholders will consist of annuities rather than lump sums. The advantage of compensation by annuity rather than by cash payment is considerable. As the state is taking over industries it will be more difficult for individuals to find investment for lump sums than to-day. As the state is looking

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forward to taking over industries to a sufficient extent to eliminate pure capitalism [1] altogether, it is to be hoped that future generations will not feel the need of capital of their own and will be all the more ready to enter into the coöperative scheme of industry if, having no capital, they have to work each in his own industry under the new and prosperous conditions which coöperative production ought by that time to have brought about.

Cases will undoubtedly be found where wealthy parents have worthless or defective children and grandchildren. Again, some parents have so contributed to the development of industry of the nation, as in the case of Mr. John D. Rockefeller and Mr. J. Pierpont Morgan, that it may seem proper that the compensation given in the shape of an annuity to them should not end abruptly at their death; but that a part of it should be continued to their offspring. This question is one of conscience as well as of social welfare; and in view of the enormous importance of it to the wealthy of to-day, it is a pity that they confine themselves to denouncing Socialism, and by so doing, leave the elaboration of the Socialist program to a party of discontented which is likely to deal with them when the day of expropriation arrives, not only without mercy, but without justice.

To judge of the difficulty of determining the questions likely to arise, let us consider for a moment the case of Mr. Rockefeller.

Mr. John D. Rockefeller has testified over and over again that for many years he has had nothing to do with the management of the Standard Oil, and yet he draws from the Standard Oil an income so enormous that, not being

[1] By "pure capitalism" is meant the ownership of industry entitling the owner to dividends although the owner contributes nothing to the industry in the way of personal service.

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able to spend more than a fraction of it, he has invested the balance in railroad shares and thus become master of a large part of our railroad system. I myself believe after a careful study of the organization and development of the Standard Oil that Mr. Rockefeller has amassed his fortune strictly in conformity with law. He has, it is true, deliberately lied at certain critical periods. But lying is not a crime, and is not actionable except under specified conditions. Mr. Rockefeller then is not a criminal. He simply presents a case where, having rendered an immense service to the community, he has received as a remuneration for that service wealth that surpasses the dreams of avarice.

If Mr. Rockefeller's holdings in the Standard Oil were expropriated by the state without one dollar of remuneration, Mr. Rockefeller would still be in possession of a far larger income derived from his railroad holdings than he and all his family could possibly spend. It is probable, therefore, that in such cases as those of Mr. Rockefeller, J. Pierpont Morgan, and others of their class, the state would make a valuation of all their wealth, leave them what it is proper they should have, and expropriate the rest. Even though there were left to multi-millionaires more income than they could possibly spend, the surplus expropriated by the state out of each of their swollen fortunes would leave to every industry a large fund which could be applied to increasing wages, improving conditions, and reducing prices. If, for example, it turned out that the income Mr. Rockefeller derives from his railroad shares is more than he can spend and that, therefore, there were no reason why he should continue to own any shares in the Standard Oil whatever, the dividends accruing from the shares now held by Mr. Rockefeller in the Standard Oil would be applicable to improving

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the conditions of those who work for the Standard Oil. It is probable that Mr. Rockefeller owns about one-half of the shares in the Standard Oil. All the dividends now paid to Mr. Rockefeller would in such case be applicable to these things. Such a solution would permit of the division of the enormous dividends which are being paid to-day to Mr. Rockefeller amongst the working body of the Standard Oil.

As to compensation, there is considerable disagreement in the Socialist party, and many Socialists would not admit the principle of compensation at all. In France, it is probable that these last constitute, if not a majority, at any rate a very large minority of the party; but in America I think it can be said that the Socialist party stands for compensation. In support of this contention I cannot do better than quote a passage from the article of Mr. Steffens in *Everybody's Magazine*, Oct., 1908.[1]

This passage is extremely illuminating because we find in it the opinions of two men thoroughly representative of the two wings of the Socialist party: Eugene Debs, who is what Mr. Roosevelt would call "an extreme Socialist"; that is to say, he looks at Socialism from the revolutionary point of view; he regards the issue as between the capitalist on the one side and the proletariat on the other; he is an ardent exponent of the class struggle theory; his sympathies are exclusively marshalled on the side of the poor, and his first impulse, therefore, on being questioned on this subject, is to express an opinion contrary to compensation. And yet his ideas on this subject are not so rooted but that they can at once be corrected when he is reminded by Victor Berger of the evils likely to result from expropriation without compensation.

[1] See Appendix, p. 428.

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To those unfamiliar with the personnel of the Socialist party, it is important to say a word regarding Victor Berger. He is the editor of the *Social Democratic Herald*, published in Milwaukee; but he is far more than this. He is the recognized leader of the Socialist party in Wisconsin, the only State in which Socialism has succeeded in electing members to the municipal council and to the State legislature. No one who reads his editorials can fail to recognize that he is not only an economist, but a scholar. He is regularly elected to the National Executive Committee of the Socialist party at the head of the poll; and although I must not be understood to imply that there are no other men in the party of as great weight as Mr. Victor Berger, I think it may be stated without fear of contradiction that he to-day has more personal influence in the party than any other one man. The ease with which he brought the Presidential nominee around to his view on the subject of compensation is a measure of his influence. I think that upon the subject of compensation the opinion of Victor Berger is likely to prevail.[1]

The socialization of industry does not mean any change in the personnel of the industry whatever. Every man drawing salary or wages from the Standard Oil will go on drawing salary or wages as before. The industry will be handed over to those who actually maintain and work at it. These men will run the industry in very much the same way as did the guilds in the Middle Ages, subject to the payment of annuities to old stockholders determined by the court.

There would, however, be some notable distinctions between the medieval guild and the guild under a co-operative commonwealth.

The latter would not constitute a complete monopoly;

[1] *Saturday Evening Post*, May 8, 1909.

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on the contrary, independent refiners would continue to refine and distribute oil, maintaining a wholesome competition of a character to prevent the oil guild from becoming perfunctory and inefficient. This competition would tend to avert the evils that attended the close monopoly of the medieval guild, practically all of which can be traced to the completeness of their monopoly.

Again the state would not *own* the oil industry; it would reserve the right to *control* it. No direct control need be exercised providing the industry were wisely administered; but if the industry had recourse to devices for crushing out competition to which the trusts to-day habitually resort, the state would exercise this direct control by appointing one or more members to the governing board of the industry. The oil guild would, therefore, be kept upon its good behavior, both by the competition of the independent refineries and by the danger of state intervention.

When the public became convinced that the time had come for the socialization of the steel industry, exactly the same process would be adopted. In this case, the function of those who had to value stockholdings would be facilitated. It has never been revealed how much J. Pierpont Morgan got in common stock for his rôle in the organization of the Steel Trust; but it is known that the amount of stock taken by him on that occasion was enormous. It would be interesting to calculate the number of hours of work he personally spent in promoting this trust and to compare these hours with the amount of stock which he received as a price of this service. Such a method might facilitate the work of those who had to value the stock and determine the amount to which he was entitled for the service he rendered.

The socialization of industry, therefore, will be seen to

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be a process in which, once started, the state need have little further to do. It will practically consist of a transfer of the industry from the hands of the capitalist to the hands of those actually engaged therein. It will involve the valuation of every stockholding in such a fashion that the capitalist will during his life receive in some cases all, though in other cases less than he has heretofore received; so that the excessive income now enjoyed by the capitalist will be applicable to improving the conditions of those engaged in the industry; it will also be applicable to the reduction of cost to the consumer. And this process applied to every trusted industry will have for immediate effect gradually to improve the condition of the workingmen. When applied to them all, not only will the workers receive an increased wage, but the wage they receive will have its purchasing power increased by the lowering of prices in all industries. Obviously this system is not going immediately to put the luxuries now enjoyed by the multi-millionaire at the disposal of every workingman; but it will increase them as the annuitants die, so that with the disappearance of the first generation of multi-millionaires, the conditions of labor will be still further improved; and with the disappearance of the second generation, to whom doubtless some annuities will also be given, the workingman will receive all the benefits now given to the capitalist.

Inasmuch as the wage-earners now receive on an average a little less than one-half of the whole profits of the industry, from this socialization of industry alone the laborers will ultimately have their compensation doubled by increase of wage and decrease of prices.

By "worker" is not meant what we now call workingmen alone. It includes all engaged in industry through the work of their hands or their heads. It is a common

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error into which Mr. Roosevelt has fallen that Socialism proposes to improve the condition of the one at the expense of the other; that it is a doctrine of Socialists that "all wealth is produced by *manual* workers."[1] No such foolish proposition has ever been propounded by any Socialist however "extreme."[2] Socialists recognize the enormous rôle played by brain in the organization and administration of industry. What Socialism seeks to do is to eliminate the idle stockholder—not the industrious manager. If Mr. Roosevelt would cast his comprehensive eye around the class to which he belongs, he will observe that it is composed in great part of idle stockholders who contribute nothing whatever to the work of the industries which furnish their dividends. And because these stockholders are idle, he will find that they tend also to be "thriftless and vicious," and that he is denouncing his own class when he characterizes as "morally base" the proposition that "the thriftless and the vicious, who could or would put in but little, should be entitled to take out the earnings of the intelligent, the foresighted, and the industrious." He is very hard on them; he says this is living by "theft or by charity" and that this means "in each case degradation, a rapid lowering of self-respect and self-reliance."[3] If a Socialist were to use this language of the idle stockholders, he would be characterized as intemperate. I would not myself go so far as Mr. Roosevelt. There are many idle stockholders who, *because they are unconscious of living "by theft or by charity,"* have preserved a social conscience that sets them to righting the wrongs of the many. Mr. Roosevelt himself, indeed, belongs to this very class.

[1] *Outlook*, March 20, 1909, p. 622.
[2] Ibid., p. 619.
[3] Ibid., p. 623.

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If he ever takes the trouble to understand Socialism, he will see that it proposes to put an end to the class that is idle and tends to be "thriftless and vicious"; that in other words, in this as in every other point on which Mr. Roosevelt attacks us, Socialism stands for the very opposite of what Mr. Roosevelt thinks. It proposes to take our industries out of the control of the idle and hand them over to the industrious, whether their industry be of the hand or of the head.

The result of such transfer will be to leave every man doing the work which he is already doing; to improve his condition; to keep alive the competition necessary to prevent inefficiency or perfunctoriness and make character; to diminish the stakes of the game, so that the worker shall not lose health and happiness as now, but shall secure more or less of the luxuries of life. And industry will be so organized that no man who wants to work shall be without work; and no one who does not want to work shall be allowed to be idle.

Having explained what is meant by the socialization of industry, and pointed out how small the rôle of the state need be in the socialization of industry at large, we may next proceed to consider certain industries in which the state does, to-day, in other countries and would in a coöperative commonwealth certainly play the dominant rôle. In the first place, the state would own all natural monopolies. By the word "state" must not be understood the Government at Washington alone. Certain monopolies are national monopolies and would therefore be owned by the national Government at Washington; for example, railroads, telegraphs, national forests, national waterways, etc. But it is the local authorities that would take over such local monopolies as tramways, electric works, gas works, and all those things that are

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essentially municipal in their nature. The wisdom of this transfer of natural monopolies from private to public ownership it is not necessary to discuss. The enormous advantages that have attended this transfer in countries where it has been conscientiously tried leave no room for discussion except by those who have a personal interest in it, and to those this book is not addressed. Moreover, this subject will be treated in the next chapter.

There are, however, certain industries which, because they are intimately connected with public hygiene, it seems indispensable that the municipality should take over. I refer to such industries as packing houses, butcher shops, pharmacies, and the production and distribution of milk, ice, and bread.

The recklessness with which we allow ice companies to distribute ice collected from ponds into which the drainage of a large population filters and from the head waters of such rivers as the Hudson, which receives all the sewage of Albany, Schenectady, and Troy, seems incredible, were we not already familiar with the recklessness which hands over all our industries to a competitive system so fierce in its operation that adulteration is its necessary consequence.

Many of the bakeshops which furnish us with our bread baffle description, and on the poisons which are introduced into our milk I have already dilated. Wherever the temptation to adulterate is considerable and the consequence of adulteration to public health great, the community should not accept the risk that arises from competition except within the narrowest possible limits. For this reason, it will doubtless be wise for a coöperative commonwealth to own and run packing houses, butcher shops, pharmacies, bakeries, and to produce and distribute milk and ice.

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As regards ice, it is amazing that the municipal authorities should not have undertaken this task before—especially in view of the raising of the price of ice for the poor by the Ice Trust. Every city has to supply its citizens with water, and as they are in control of pure water, it should be as much the function of the city to furnish pure ice as pure water. They have reservoirs free from pollution from which ice could be cut; and nothing but the political influence of the Ice Trust on the one hand, and the stupid indifference of the consumer on the other, has permitted this business to remain in private hands.[1]

The enormous profits made by the Meat Trust would permit not only of sanitary handling of this industry, but proper compensation to all engaged therein, and a notable reduction in the price of meat.

The fact that the baking industry is not trusted will make the taking over of this industry by the state a more difficult undertaking, but not for that reason an impossible one.

Competition is not necessarily to be eliminated in the taking over of these industries. It is quite possible that the state might not furnish good bread, and it ought, therefore, to be permissible for any individual to enter into this business. The competition will be limited because, inasmuch as the state will charge for its bread very little above cost price, few will be induced to enter

[1] On the very day of writing of the above, the N. Y. *Times* of June 25, 1909, states that the United States Postoffice Department has installed a complete ice-making plant which has made such economy that the Government is considering the building of an ice-plant for all its departments. Private dealers charge at the rate of $7.65 a ton for ice, whereas the Postoffice Department now furnishes ice at a cost of 65 cents a ton.

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into this business out of the desire for making money. The only motive that will induce citizens to enter into the business will be that of furnishing bread to their taste. Moreover, such industries would have to comply strictly with hygienic conditions, and they would be not so numerous as to make inspection as difficult, ineffectual, or expensive as to-day.

The production and distribution of milk suggests a function of the state to which sufficient importance cannot be attached. I mean the creation of farm colonies. On this single point I am not supported by the authority of the Socialist party. In other words, farm colonies have never been suggested as a part of the Socialist program; but this seems to be due to an oversight, for there does not seem to be in the Socialist party, as far as I can judge of it, any opposition to the idea. And the rôle of the farm colony seems to me of such importance that it is hardly possible to give too much attention to it.

§ 4. Farm Colonies

The first farm colony was established in Holland. The system has since taken root all through Europe, but has reached its finest development in the Canton of Berne, in Switzerland. It proceeds upon the principle that while it is difficult to make money out of farm land, it is easy to get nourishment from it, and that the most obvious remedy for idle labor is to apply it to idle land.

In Switzerland it is also recognized that idle labor is divided into two distinct classes—the unemployed and the unemployable—and the unemployable must be again classified into those unable to work through physical defect and those unable to work through moral defect;

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that is to say, those who are morally willing and physically unable and those physically able and morally unwilling. There are therefore in Switzerland two different kinds of farm colonies: forced colonies which deal with the tramp, the drunkard, and the misdemeanant—all those persons upon whom discipline has to be exercised; and free colonies for those physically disabled or who are out of employment through causes over which they have no control.

It is in the poorest countries in Europe that farm colonies have reached their highest development. Switzerland has been driven to organize farm colonies by the fact that she is too poor to disregard the burden of the unemployed and unemployables. It is in the richest countries, England, France, and America, that the farm colony system has been most neglected. The farm colony plan is the cheapest as well as the best way of solving the problem of pauperism, deserving or undeserving. This question has been fully treated elsewhere [1] and it is only referred to here in sufficient detail to explain why it is believed that the farm colony system will form an essential feature of every Socialistic community. For although there will be an enormous diminution in the number of those unwilling or unable to work (for the reason that under a coöperative commonwealth no one need be overworked and, therefore, no one need be reduced to the physical exhaustion which is the prime cause of pauperism), and although there will be fewer drunkards because drunkenness, also, is largely due to overwork, nevertheless, until the coöperative commonwealth has been in operation several generations, that part of the population that is unwilling or unable to work

[1] "The Elimination of the Tramp," by Edmond Kelly. (G. P. Putnam's Sons.)

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will have to be provided for. And even later there will certainly be some part of the population that will require discipline as regards work. The farm colony system, more and more indispensable in our existing civilization, will perform an important rôle in the gradual transformation of society from the competitive to the coöperative form. It probably presents to-day one of the most perfect pieces of constructive Socialistic work in which legislators can engage. For it has the extraordinary advantage of satisfying an immediate necessity of the competitive system and at the same time realizing some fundamental principles of Socialism; for example, that every man and woman is entitled to work; that the aged are entitled to support; and that the state should own enough land to assure both these things.

The fact that our railroads are now awakening to the necessity of handling the tramp proves the necessity of the system, and the fact that in Switzerland the forced colonies have been made to pay their own expenses indicates its economy. Indeed, no proposed legislation illustrates so well the power driving us towards Socialism as the history of attempts at legislation in this direction in New York State.

Twelve years ago a farm colony bill was drawn by a committee appointed by the charitable societies in New York; but it did not secure at Albany a moment's serious attention. We were told by our legislators that poverty is not a crime. When we answered that our bill did not make it a crime more than the penal code, but only purposed to substitute for the expensive and degenerating system of the misnamed workhouse, inexpensive and regenerating work on a state farm, and that the plan had operated effectually in Holland and Belgium for over a hundred years, we were told that the plan might do in

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Holland, but would not do here. So in the archives of the French senate may still be read the report made by Thiers, when appointed by Louis Philippe on a committee to investigate the first railroad ever built, which concludes as follows: "Railroads may serve a purpose in England, but they are not suited to France."

A similar bill, improved by borrowing from late experience in Switzerland, drawn by a similar committee (to which was added the Commissioner of Charities, Mr. Hebberd) was presented at Albany at the session of 1909, and although not passed, was sufficiently well received to encourage the hope that it will pass at the session of 1910. It had the support of the great railroads in New York state; for the railroads have discovered that the tramp is an intolerable nuisance.[1] Colonel Pangborn of the Baltimore & Ohio has lately estimated that the damage occasioned by tramps to railroads in the United States amounts in a single year to twenty-five million dollars.[2] For the tramp in America does not tramp; he rides on railroads; he sets fire to freight cars and freight stations; he obstructs the lines, wrecks trains, and is a fruitful cause of action for damages. The measure, therefore, which was thrown out by the Assembly when proposed from motives of humanity, may be passed as a measure of self-defence, and self-defence thus constitutes an element of the power always at work on the side of progress that neither ignorance nor interest will be able to resist.

The reason for believing that the farm colony will perform an important function not only during the period which must elapse before the coöperative commonwealth, but also after the coöperative commonwealth has been attained, is that work on land seems to be the only work

[1] See Appendix, p. 429.

[2] *Charities and the Commons*, p. 342, June, 1907.

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to which the unemployed and unemployables can be suitably put.

Every day we seem to be increasing our capacity to make land productive. We not only make new discoveries, but profit by those of more ancient civilizations than our own. It has long been known that in the East they subject grain to the same system of replanting that truck gardeners do early vegetables.[1]

Dr. Fesca informs us that in Japan rice is treated in the same way: "It is allowed first to germinate; then it is sown in special warm corners, well inundated with water and protected from the birds by strings drawn over the ground. Thirty-five to fifty-five days later, the young plants, now fully developed and possessed of a thick network of rootlets, are replanted in the open ground. In this way the Japanese obtain from twenty to thirty-two bushels of dressed rice to the acre in the poor provinces, forty bushels in the better ones, and from sixty to sixty-seven bushels in the best lands. The average, in six rice-growing States of North America, is at the same time only nine and a half bushels."[2]

Agriculturists are familiar with the results obtained by Major Hallett's growing what he called "pedigree cereals"; that is to say, by using as seed only the best

[1] Eugène Simon, "La cité chinoise" (translated into English); Toubeau, "La répartition métrique des impôts," 2 vols., Paris (Guillaumin), 1880, quoted by Kropotkin in "Fields, Factories and Workshops," p. 239. See Evolution and Effort, p. 168.

[2] Dr. M. Fesca, "Beiträge zur Kenntniss der japanesischen Landwirthschaft," Part II, p. 33 (Berlin, 1893). The economy in seeds is also considerable. While in Italy 250 kilogrammes to the hectare are sown, and 160 kilogrammes in South Carolina the Japanese use only sixty kilogrammes for the same area. (Semler, "Tropische Agrikultur," Bd. III, pp. 20–28. Quoted by Prince Kropotkin in "Fields, Factories and Workshops," p. 239.

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ears in his crop; and by giving to each grain sufficient space he obtained sometimes as much as 2500 grains for one grain planted. Even better results were obtained by Grandeau.[1]

We are only beginning to know how much can be produced out of an acre of ground. One thing, however, is certain: where labor is cheap and land limited as in the case of our unemployed, there is no method known by which labor can produce better results than by putting it to what is called "intensive culture"; and as the secrets of intensive culture become more known, it becomes clear that if the state would only take the trouble to set aside a certain amount of land for the purpose, it could without further expense than that of the first installation make able-bodied unemployed and unemployables self-supporting.

This is not a question of fertility; it is simply a question of space. Unfertile land is made fertile by intensive culture. It has been said that the Paris gardener defies the soil and the climate. Every truck gardener there stipulates in renting land that he "may carry away his soil down to a certain depth, when he quits his tenancy."[2] In other words, soil is now a manufacture; we are no longer confined to fertile areas; we can make any area fertile by the application to it of industry and intelligence.

Municipalities can contribute enormously to the fertility of the land around them. A district near Paris, called Genevilliers, was a few years ago a desert tract of sand. The city poured over this tract the sewage of the city after a filtration that deprived it of its offensive features.

[1] L. Grandeau, "Etudes Agronomiques," 3d series, 1887–8, p. 43. Quoted by Kropotkin, Ibid., 101.

[2] See Ponce, "La Culture maraiche," 1869. Barrel's "Dictionnaire d'Agriculture." Quoted by Kropotkin, Ibid., p. 64.

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This tract has become of fabulous fertility; but the municipality having failed to buy this land before this operation, the increased value of the land has accrued to the persons who happened to be the owners of it; whereas if the city had begun by purchasing the land at the price at which it could have been purchased before this operation, it would have had here a tract of enormous value that, by the farm colony system, would have greatly contributed to relieve the city of the burden of pauperism.

It would seem as though the art of using manure were practically unknown in this country by the farmers. The results that can be obtained in this way are given in the Farmer's Bulletin, No. 242, where an intelligent use of manure resulted in crops of 6.7 tons of hay for every acre of cultivation;[1] and this not by the application of any extraordinary science, but simply by recognizing the obvious fact that manure must be spread daily and not allowed to lose most of its value from being piled into heaps, where it burns and degenerates.[2]

The farm colony must be so organized that it furnishes work summer and winter. As its name implies, the colony is not confined to work on land. Many skilled workmen would lose their skill if they were put to farm work. Swiss colonies, therefore, have a few industries established in each colony to which skilled workmen are put. This occupies unskilled inmates during the winter

[1] Very little land in New York State produces more than from two to three tons an acre, and most of it does not produce so much.

[2] It is impossible in this book to give to the question of soil fertility the scope which it needs in order to convince a layman of the almost unlimited extent to which good soil can be manufactured and made fertile. Those who are anxious to satisfy themselves on this subject are urged to read the books above quoted.

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months when the weather is too inclement for out of door work, and also teaches them. Moreover, in a self-supporting farm colony there is work which can be done by the aged and the infirm, teaming, taking care of animals, plucking fruits and vegetables, preparing them for preserving, and all the small jobs that attend large housekeeping.

The farm colony plan will in part relieve the state of the expense of old-age pensions. Every industry will provide pensions for its own workers and thus the state will be relieved by the guilds; but there will always be some aged left unsupported by such private industries as will continue to exist by the side of the guilds. Of these it may be expedient to relieve some in their own homes; but many will find in the free farm colony an abiding place more congenial to themselves than the almshouse, and far less expensive to the state. It will be more congenial because there will be no more disgrace attending a free farm colony than any other state employment, and because it will be organized so as to render its work as agreeable as possible. It will never be so attractive as work outside the colony because it will be subject to the kind of regulations that attend all big institutions, so there is little fear of these colonies becoming larger than is good for the community. But it will be a home rather than an almshouse, and it will be less expensive to the state because of the work which even the aged can do.

The farm colony furnishes a system by means of which the state can compel the unwilling, able-bodied tramp and pauper to earn his own livelihood; where it can afford work to the unemployed without cost to the state; and can utilize to the utmost possible the services of those who are not able-bodied.

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It must not be imagined that discipline of a harsh character is necessary. There are in every one of these colonies in Europe dark cells, where a man who will not work, or will not obey rules, is confined and kept on bread and water until he consents to work and to obey rules; and the very fact of the existence of these cells, and of this system, has been found sufficient to secure good work and obedience to rules without using the dark cells except under exceptional circumstances. The director of one of the Dutch colonies told me that he did not use the dark cell once a year.

There is no reason why the farm colony system should not be extended to the treatment of all crime except that we have prisons, prison managers, and a prison administration which stand in the way of radical prison reform; and the general stupidity which prefers the ills we have to the blessings which, obvious as they are, we have not imagination enough to comprehend. The folly of keeping an enormous population of criminals idle, within four walls, at an enormous expense to the community, when we could keep them busy to their great advantage, physical, intellectual, and moral, without a penny of cost to the community, is one of those things which future generations will find it difficult to believe.[1]

In the coöperative commonwealth there will be no prisons, no penitentiaries, no almshouses, no tramps, no unemployed. There will be farm colonies of various grades, from those that have no discipline beyond that necessary to secure the observance of rules necessary to all institutional life, through those that have just enough discipline to keep lazy men at work, to those that have sufficient discipline to keep even criminals at work. For although it is obvious that under a coöperative common-

[1] "The Elimination of the Tramp," p. 51.

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wealth in which there is no necessity for exhausting any individual, no necessity for alcoholism or stimulation, no anxiety regarding the means of existence; where there is throughout a high standard of living, ease for the mind and abundance for the body, the production of the natural criminal ought to be immensely diminished, yet the occasional criminal will have to be provided for.

For further study of the farm colony system as it has been developed in Switzerland, and as it might be applied in the United States under existing conditions, the reader is referred to "The Elimination of the Tramp." [1] It is hoped, however, that enough has been said regarding these colonies to enable us to consider the immense rôle which an intelligent classification of farm colonies would play, not only under existing conditions, but in the future coöperative commonwealth.

A single farm colony for dealing with tramps as proposed in the bill now before the Assembly of New York State would render an indispensable service by taking off the streets and highways the vagrants who, because they are now confounded with the unemployed, tend to confuse the mind of the public on this all-important subject. But although such a colony, organized under the same conditions as the forced labor colony in Switzerland, would render this service without cost to the state beyond that of first installation, its usefulness in the problem of production at large would be extremely small. It would attain its purpose if it were self-supporting. But if this tramp colony proves a success, the same system could be applied not only to take care of all our dependent and criminal classes, but to play an important rôle in the production of the necessaries of life.

There ought to be three distinct classes of colonies:

[1] Published by G. P. Putnam's Sons

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The criminal farm colony surrounded by walls where the strictest discipline would be enforced, and within which the inmates would be confined to intensive cultivation, handicrafts, and some form of machine industry.

The forced labor colony for misdemeanants and able-bodied vagrants and paupers where larger liberty would be enjoyed; and

The free labor colony where there would be no regulation except that indispensable in all institutions.

Perhaps to these should be added probationary colonies as described in the "Elimination of the Tramp," p. 59, for those as to whose willingness to work there is doubt. These would furnish the "test" so much sought by English Poor Law Guardians. From these probationary colonies the inmates would be graduated down to the forced labor colony, or up to the free. So also criminals would be prepared for social life by passing through the forced labor colony, and inmates of the forced labor colony prepared for social life by passing through the free labor colony.

In a coöperative commonwealth free labor would have no objection to industrial work conducted within these colonies, because the less work there is to be done in any given industry, the less hours would the workers in that industry have to give to it. So that every industry carried on in the colony would by so much diminish the amount of goods produced outside by that industry, and to that extent relieve the free labor engaged therein. This great objection to penal labor being removed, the state will have an advantage in distributing the industries throughout its colonies according to geographical conditions.

The criminal colonies will naturally be more industrial in their character than the agricultural, because they will

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have to be operated within prison walls. They will nevertheless include truck gardening and horticulture.[1] Penal colonies, therefore, will group themselves around great water power, which will be retained by the state and not dissipated by the gift of franchises to private corporations.[2]

Misdemeanants and tramps will preferably be set to work on large farms which, because of their size and remoteness from towns, will render escape difficult. The methods adopted in Switzerland for making escape difficult if not impossible, are fully described in the "Elimination of the Tramp." [3]

As in these colonies there is more or less work to be done all the year round, it would be indispensable to build in connection with them factories which could be operated during the winter months, the state being careful to limit the factories to the production of things already socialized, so as not to compete injuriously with private industry.

Free labor colonies ought to be located near large centers of population, not only because of the character of the things they will produce, for example, milk, vegetables, and fruits, which need a market at the door, but also because it is in these great centers that pauperism and unemployment express themselves in largest figures and in greatest variation. In these colonies inmates will remain the shortest terms, and it is important, therefore, to have them in proximity to places where the inmates are likely to live in order to avoid the heavy expense of transportation.

Free labor colonies will be engaged in the production

[1] See "Elimination of the Tramp," p. 45.

[2] See *Hampton's Magazine* for May and June, 1909.

[3] See p. 58.

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of milk for two reasons: The hygienic importance of milk is so great that it should as much as possible be removed from the competitive field. It is important that milk should be produced as near as possible to the town where it is to be consumed. It is wiser, therefore, to assign the production of milk to the free labor colony, near the city, than to the penal or forced labor colony that would be comparatively remote. But it must not be imagined that the production of milk can be confided exclusively to such inexpert labor as that of the inmates of free labor colonies. The production of milk can only be entrusted to careful experts receiving a relatively high rate of wages. Free labor colonies, therefore, will have to be provided with a corps of men and women trained in the production of milk and dairy products.

It may be suggested that the fact that dairy products must be entrusted to trained experts is a reason for not associating the production of milk with free labor colonies. This objection disappears when account is taken of the fact that dairy farms should have connected with them such subsidiary products as chickens and pigs. Skimmed milk is of the greatest value in these subsidiary productions; so also is the garbage that would accumulate in such an institution as a farm colony. The care of pigs and poultry can be confided to defectives such as we are likely to find in a free labor colony. It furnishes work all the year round; it enriches the soil rather than impoverishes it.

Free labor colonies, therefore, will be engaged in the production of milk, pigs, poultry, vegetables, fruits, and flowers. They will be furnished with grain by the forced labor colonies in the States where grain can be cultivated on a large scale; and by distributing industries among the three classes of colonies and arranging for exchange of

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products, the whole colony system ought not only to be self-supporting, but to produce more than the colonies can themselves consume. The disposition made of these products will be studied in connection with the problem of distribution.

Under such a plan, no pauperism or even poverty will be tolerated in the towns. As soon as a man, woman, or family is incapable of self-support in the competitive field, or because of sickness or accident in the coöperative field, they will be taken out of the town where their presence is an expense and a nuisance not only to themselves, but to the community, to a free farm colony where health can be restored and defectives put to the best use possible.

Farm colonies in the Rocky Mountain region where sheep and cattle can be fed on public land for nine or ten months in the year, and fed by hand during the remaining two or three months, will furnish cattle and sheep to municipal packing-houses that will distribute meat with the economy of the postoffice system from door to door.

State farm colonies in the grain-growing districts will furnish grain to all the other colonies and wheat to municipal bakeries that will distribute bread with the economy of the postoffice system from door to door.

Free labor colonies adjoining cities will produce milk, butter, and dairy products, pork and pork products, chickens, eggs, vegetables, fruits, and flowers and distribute them with the economy of the postoffice system from door to door.

State factories distributed amongst penal colonies in accordance with the geographical conditions that will make them most efficient, will furnish garments, shoes,

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hats, etc., to the other colonies at the cheapest possible price.

By the side of these productions, there will be maintained exactly the same system of private ownership that exists to-day with all the virtues that emulation produces free from the fatal consequences that make failure result in misery, pauperism, prostitution, vagrancy, and crime. For so long as the individual prospers in his private enterprise, he will be encouraged to maintain it; whereas the moment he fails, he will come within the state system under which the private individual having proved his inability to support himself and his family under the competitive plan, will be shown how to support himself and his family by state institutions that will have reduced this task to a science.

That the state will occasionally fail in this task is to be expected. But what is the worst consequence that can result from failure? Nothing more than the maintenance of the competitive system in every field of industry where the state fails. If the state fails to furnish good bread, private initiative will take the baking of bread from the state and will keep it until the state succeeds in furnishing bread to the taste of the public. If the state fails in furnishing garments, private initiative will keep garment making in its hands except in so far as the state makes garments for the inmates of its own institutions.

Many problems connected with this system of production will occur to the mind of the intelligent reader. These problems, however, will be found to belong more strictly to the question of distribution and government control—two subjects that cannot be intelligently discussed until the question of private property in land has been answered.

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§ 5. Land

Socialism was formerly defined as including state ownership of land. This idea is to-day, however, abandoned in favor of a much more intelligent system:

One principal difference between the Socialist and the Single Taxer is that the Single Taxer is opposed to state ownership of all land; and it is probable that the Single Taxer is more wise in this respect than the state Socialist. In the first place, the state Socialist who wants all land to be owned by the state ignores some very fundamental facts in human nature: He ignores the fact that humanity has for generations cultivated the instinct of ownership in land. There is nothing dearer in life to the French peasant than the strip of land barely sufficient to support life, and he will cling to that strip of land until some accident has torn it from him and reduced him to the condition of a pauper. Out of this instinct of ownership springs the extraordinary industry of the farmer—an industry which is not excelled or equalled in any but sweated trades.

The life of the peasant or small farmer is one of hardship that leaves no moment for leisure, and of monotony that populates our lunatic asylums.[1] Not only is the life of the farmer one of the hardest, but it is also one of the least secure. The failure of a single crop, the loss of a single horse, disease in a chicken yard, a violent hailstorm—any of these may oblige a farmer to put that first small mortgage on his farm which is the beginning of his ruin. Nevertheless, the farmer sticks to his farm and labors on it from the rising of the sun, through the glare

[1] The occupation that furnishes most inmates to our asylums is farming.

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of noon and up to the last ray in the west, because the land is his own and he has for it the kind of affection that a mother has for her child—an affection that makes no sacrifice too great. It would seem unwise to deprive the farmer of the satisfaction of ownership and the community of the industry and productivity which this sense of ownership results in.

There is no conceivable advantage in depriving the farmer of the ownership of his farm. The farmer now pays taxes on his land. The right of the state to exact a tax puts the state in the position of a landlord except that the state calls the tribute it levies on the farm a "tax," whereas the owner calls this tribute "rent." Of course there is a great difference between the tax levied by the state and the rent paid by the farmer to the private owner, because the one is light and the other heavy. This is the material difference which must not be lost sight of in the discussion of the subject. Every farmer expects to pay taxes to the state and all he asks is that the tax be not an onerous one. It can be rendered less onerous in the coöperative commonwealth than to-day because a coöperative commonwealth will not exact payment of taxes in money, but will content itself with payment in produce. Instead of the state taking over the land and depriving the farmer of ownership, and exacting rent, the coöperative commonwealth will leave the ownership in the farmer and exact a tax in produce; and so long as this tax is paid, the farmer will remain the undisputed owner of his land, and will continue to give it that hourly care without which the best results can hardly be obtained.

There is nothing in modern Socialism, therefore, to frighten the farmer. He cannot but benefit by it, for his taxes will be levied in produce instead of in cash;

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and it is the conversion of farm produce into cash which is the farmer's main difficulty to-day, as was seen when money was discussed.

The title of a farmer under a coöperative commonwealth will be much like that of the peasant in the Island of Jersey, who generally purchases his land on condition of paying a certain amount to the owner per annum. These Jersey titles are just as secure as freeholds in England or in this country, subject of course to the payment of the rent charged.

The tax in produce, however, which the farmer is to pay the state will be far more just and fair. Land will be classified according to productivity, and the farmer will never be called upon to furnish the state with a larger proportion of his crop than he can afford. On the other hand, farmers will not be allowed to keep the ownership of land which they do not use. If it is to the benefit of the community that land be drained, the owner will be called upon to drain it within a definite period. If he does not drain it within that period, the state will take his undrained land from him. Nor will the farmer be allowed to cut down timber where the maintenance of the timber is deemed important to the commonwealth.[1] He will be taught forestry and the propagation of deer, and shown how to produce as much income out of his timber as he would out of the land when cleared. Above all, he will be relieved from the exorbitant prices which

[1] This limitation on property has already been enacted in the State of New York (Chap. 463, Laws of 1909), and bills of similar import have been introduced into the legislatures of California, Maine, and Pennsylvania. In Maine a hypothetical question as to the constitutionality of such legislation was submitted to the supreme court, which reported favorably (19 Lawyers' Reports annotated [U. S.] 422).

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he now pays the trust for every article which he does not himself produce. The state will undertake the task of distribution, so that he can receive as the farmer in South Australia does to-day—a part payment in cash for all produce he delivers at the nearest railroad, and a subsequent payment when his goods have been sold through the instrumentality of the state. But this last belongs to Distribution.

Prices will not be lowered by the competition of farm colonies. On the contrary, they will be maintained by the prices asked by farm colonies. Farm-colony prices will allow every efficient farmer a substantial living, and the farmer will have the benefit of the example and advice furnished him by the nearest farm colony, which will be a model farm.

It may be objected that under this system the farmer will not have sufficient motive for adopting modern methods. There are undoubtedly farmers who are averse to the adoption of modern methods; but there are also thousands of farmers eager to know modern methods. Rev. J. D. Detrich, who produced 6.7 tons of hay for every acre in cultivation on his farm [1] was so pestered by neighbors who called to study his methods that he was obliged to remove to an adjoining State. Recalcitrant farmers will slowly be compelled to adopt modern methods by the fixing of prices that will make modern methods indispensable to prosperity.

In every way, therefore, the farmer will be benefited by the introduction of Socialism. He will keep the title of ownership in his farm that is dear to him; he will pay his taxes in produce instead of in cash; he will have the benefit of education and advice at his door; and he will be relieved of the exorbitant prices now demanded by

[1] Farmers' Bulletin, No. 242.

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the trusts, and of that greatest of all his anxieties, the conversion of his produce into cash.

As regards city land, the problem is a very different one, because the treatment of city land is an essential part of the whole municipal problem.

Practically all municipal problems may be reduced to one—namely, crowding. As long as farmers live half a mile apart as they do on a standard 160-acre farm in the West, sewage and garbage are matters of individual rather than social interest. Provided the farmer does not pollute springs and water courses, he may dispose of his sewage and garbage as he chooses; but the moment men and women are crowded into cities on the vertical as well as on the horizontal plane, the disposal of sewage and garbage becomes of vital importance to the whole community.

So also the maintenance of roads is a comparatively simple problem in the country, where traffic is light; whereas in the city, where traffic is great, the pavement of the streets presents problems not only of resistance, but of noise. The droppings of horses on the country road can be neglected; whereas those of horses passing a thousand per hour in a crowded city street create a dust injurious to health, and give rise to the problem of street cleaning.

Again, where land is plentiful compared with population, the rent charged for land is small and often negligible; whereas where land is scarce compared with the population, as in the island of Manhattan, the rent becomes prohibitive for all except the wealthy, and workingmen are reduced to the alternative between living near their work in unwholesome tenements and living far from their work in less unwholesome conditions. And this scarcity of land gives rise to many problems of

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congested districts, of tuberculosis, sanitation, transportation, and of rent.

If we look back on the whole history of our civilization, we shall see an unconscious struggle always going on between private interest and public spirit. The one tends to divide cities into two districts, one composed of the palaces of the rich, the other of the slums of the poor, and seeks to convert every problem of municipal government into means of increasing private wealth. The other, on the contrary, we find manifested in the "Age of Faith" building cathedrals; in the Age of Beauty or Renaissance, building public squares and gardens; and in recent years taking such services as transportation out of the hands of private individuals and vesting them in the city. This struggle between public and private interest has been, up to the present time, unconscious or fitful. The Socialist asks that it should become conscious and progressive; that is all.

Let us take a few concrete instances: It was not until dark alleys were found to facilitate the work of criminals that municipalities were driven to light the streets; it was not until a district of Birmingham had become a menace to public welfare because its filth engendered both disease and crime that the municipality was driven to put an end to it; it was not until cholera began its ravages that municipalities were driven to provide clean dwellings; it was not until the evils attending imperfect transportation became intolerable that New York was driven to build subways; it was not until fires devastated the city that New York organized its fire department; it was not until the filth of the streets was intolerable that the city took the cleaning of streets out of the hands of private contractors. Up to the present time municipal activities have been forced into existence by the growth

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of the evils to a point where they could no longer be endured.

Over a century ago it was said that municipalities were "sores upon the body politic," and this phrase has been solemnly quoted ever since as a sort of slogan of despair; whereas the municipality might be and ought to be, if intelligently administered, the mainspring of all our great national activities. The Socialist asks that, instead of waiting for evils to become intolerable before we attempt to cope with them and then adopting measures which, because they come late, are inadequate, we should take up municipal administration as a housekeeper takes hold of the administration of her house, adopting measures which we must inevitably in the end adopt before the evils become intolerable, and before the city becomes so over-built as to make the difficulty of coping with these evils insurmountable.

This is the spirit in which a citizen should approach the question of city land; and if we do approach it in this spirit, the problem of how to put an end to the evils arising from private ownership of land is in many respects similar to those which present themselves in our effort to put an end to the evils of private ownership of stock.

For example, some land will be in the hands of men who have contributed absolutely nothing to its value. They have inherited it, and upon the rent which conditions have enabled them to exact they have lived lives of uselessness if not of profligacy. One has abjured his American nationality to avoid the payment of the personal tax, and applies the sums which he receives, thanks to the industry of the community in New York, to the publishing of a conservative newspaper in London opposed to every effort permanently to improve the

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conditions of humanity there. Some land will be in the hands of men and women who have invested it in the economies of a laborious life and for whom it represents an old-age pension. Between these two, there is every degree of merit.

The problem of compensation in taking over of city land will prove as complicated as in the socialization of industries, and very much the same principles will apply. Every city presents problems of its own, and it is difficult, therefore, to lay down general principles applicable to all cities. But one point seems clear: We shall have to live in our cities while we are transforming them, and this means that the transformation will have to be slow. If the state undertakes to transform the slums into habitable tenements, the present families of the slums must be accommodated somewhere while the transformation takes place.

Rebuilding our cities to accommodate them to the changed conditions of a cooperative commonwealth, will be little more than doing on a large scale what Birmingham did on a small scale when it converted its slums into Corporation Street. If it is to be done well, it must be preceded with the deliberate preparation indispensable to the success of every large undertaking.

The Single Taxers are right when they claim that the enhancement of the value of land due to the industry of the many ought not to be appropriated by the idle few. The "unearned increment" should accrue to the whole community and not to a few landowners. As, therefore, the enhancement of the value of land due to crowding is a peculiar feature of the city, and distinguishes it from the country, it seems indispensable that city land should eventually be owned by the city; by the mass of citizens who labor and dwell therein.

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Another thing seems clear, namely, that a city cannot be transformed to suit the needs of a coöperative commonwealth so long as the city is owned by a few individuals who, by virtue of their ownership, have a right to resist the transformation.

The ownership in city land is, therefore, totally different from ownership in farmland. In the latter case, there is no necessity for suppressing private ownership; whereas in the city, such suppression seems indispensable. It may be added that the beautiful parts of every city are due to state ownership. The Place des Vosges was built by Henry IV; the Place Vendôme was built by Louis XIV; the Place de la Concorde was built by Louis XV; the Champs Elysées and the Arc de l'Etoile were built by the two Napoleons. Practically all the great monuments of Paris were built by the state. Her streets were planned by the state, and the height of her private buildings regulated by the state. The same thing is true of London and Vienna. It is in our American cities alone that private initiative being allowed full sway, our buildings look like ill-assorted books in a neglected library; that we are committed to interminable streets and avenues which pass what monuments we have but lead up to none. In a word, our cities are committed to conditions so inartistic that the task of making them beautiful seems impossible short of destroying and rebuilding them altogether.

§ 6. Summary of Productive Side of Economic Construction

It will be seen that modern Socialism does not propose to interfere with the private ownership of the farmer in his farm, and that the production of agricultural and

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dairy products will remain much in the same hands as at present, except that the state will have farm colonies to standardize production; to weed out those farmers who, because of their incapacity, are unable to produce what the land is capable of producing; and to furnish work not only for unsuccessful farmers, but for all who cannot earn a living in socialized industries or under competitive conditions. Such a condition of things will involve no redistribution of tasks. It will leave every man working in the industry in which he is; it will leave those who are engaged in competition still engaged in competition where it is not productive of injurious result. It will raise wages in all socialized industries, and raise the purchasing power of these industries by reducing prices; it will, therefore, raise the standard of life for the workingman, secure for him clean and wholesome habitations, and a possibility of maintaining a home in the best sense of the word, where our present civilization makes such a home impossible. By farm colonies it will make the exploitation of men, women, and children impossible. Children will not work at all until they have reached the fullest education of which they are capable; women will not be allowed in industrial work as long as they are bearing and rearing children; and men need never receive a sweated wage when they have state institutions where they can in exchange for their work, have board, lodging, and as much wage as they can in addition earn. There will be no criminal class, for no man need be driven to crime by want; and by the abolition of the criminal class and the criminal environment, it is probable that crime resulting from economic causes will tend to disappear. Nor will a woman be driven by need to prostitution. Every industry will provide compensation for its own superannuated and defectives, and the state will have

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but few for whom to furnish old-age pensions. The community will be relieved, therefore, of the enormous burden of vagrancy, pauperism, prostitution, and crime; and all this without interfering with any competitive industry capable of supporting its workers up to the standard of life created by socialized industry, and without any such convulsion as will throw upon the state the dangerous problem of assigning tasks.

We have heretofore considered only the problem of production; we have still to consider that of distribution.

§ 7. Distribution.

At the present time anarchy reigns over production and distribution. This anarchy has been in great part already replaced in the field of manufacture by the trust. By combination, or as Mr. Rockefeller says, "by coöperation" (Book II, Chapter III), all those engaged in the manufacture of the same thing have eliminated competition so as to obtain the advantages of production on a large scale. The coöperative commonwealth will avail itself of the work already done by the trust, and as has been already shown, will leave all these trusted industries in the hands of those actually engaged in the work thereof.

In the field of agricultural production, however, little has been done to diminish the anarchy of distribution.[1]

[1] Something has been done in connection with the milk supply. Thus the milk producers of Boston have organized a union and have agreed to a price with the Milk Contractors' Association. But although this effort at combination has cheapened milk for large consumers such as hotels, large restaurants, and even small stores, pint customers pay just as much in Boston as elsewhere; that is, 8 cents a quart. (Industrial Commission Report, Vol. VI, p. 409.)

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The anarchy which now characterizes distribution must be considered under two heads: competition in the field of transportation, and competition in the field of retail trade. America is unique among the nations of the world for insisting upon railroads being run on the competitive system. In Europe franchises are given to railroads with a view to public welfare and the distinct policy of avoiding competition. Capitals are adopted as railroad centers and franchises so granted as to furnish a system of main lines radiating from these centers in such a manner as to compete with one another the least possible. In America we have proceeded upon the plan that railroads are to compete just as traders do, and that it is by competition that rates are to be kept down. Railroads competing with one another between the same places are run at a social loss, the community is better served by one railroad run in the interests of the country than by two between the same points run in the interests of private individuals.

As regards transportation then there seems to be no room for competition whatever. The state should own all systems of transportation with a view to bringing the produce of the country and of the factory to the consumer at the lowest possible cost to the community.

Let us consider how a coöperative community will deal with competition in the retail trade.

There is no reason why the private retailer conducting a business for his own account should not continue to exist side by side with a system of state distribution. There are reasons of propinquity and convenience that enable the small retailer to live to-day next door to the big department store. In the same way, the private retailer can perfectly well continue to live by the side of the state distributing system. Nevertheless, some parts

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of retail trade will be taken over absolutely, for example, milk, for hygienic reasons. And other departments will be so completely in the hands of the state that so long as the state furnishes a good quality it will be improbable that private enterprise will find it useful to interfere; as for example, the baking of bread.

As regards all those things which are likely to remain in the hands of individual enterprise, as, for example, things in which taste plays an important rôle—garments, hats, wallpaper, furniture, musical instruments, other instruments of pleasure such as athletic goods, bicycles, automobiles, steam launches, photographic apparatus—the retailing of these is likely to remain as much a matter of private enterprise as the production of them.

As regards the necessaries of life the consumer should be able to get them at the lowest possible price. All things of a hygienic character, which it is of the utmost importance that the consumer should have of the purest quality, the state will undertake not only to transport, but to distribute in state stores. It is of course conceivable that in some towns the state store will not be conducted to the satisfaction of its citizens, and private enterprise will therefore run a store in that place better than the state. In such case, private enterprise ought to be encouraged in its competition. But inasmuch as good state management will be in a cooperative commonwealth a matter of the greatest importance, it is not likely that the citizen will long endure bad administration. This belongs more to the political aspect of Socialism than to the economic, and will be studied there. We shall therefore now pass to a brief consideration of just how this system of distribution will work.

The state, having control of transportation, will adopt the method now prevailing in South Australia, and will

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pay the manufacturer and the farmer in cash at least 50 per cent—if not more—of the value of his goods at the railroad station. These will then be transported by the state in conformity with the needs of the various villages, towns and cities to stores of its own. These will be run upon the coöperative plan; the goods sold at only a small margin above cost, this margin being kept to meet the expense of distribution; and the profits—if any—will be distributed at the end of the year amongst customers on the coöperative plan.

It is obvious, however, that if the state is to distribute in the most economical manner, it must have some control over production. It must not be called upon to transport and distribute more of any one thing than the public wants; nor must it be caught without enough to satisfy the needs of the consumer. This makes it indispensable to study the problem of control at the same time with the problem of distribution.

No function of the state will probably be more important in a coöperative commonwealth than that of controlling the production of those things which, because they are necessaries or have hygienic importance, a coöperative commonwealth should itself control, transport, and distribute.

The problem of control is not as difficult as it might at first seem. We know perfectly well to-day how much wheat, corn, beef, mutton, etc., are actually consumed by our population. All we have to do to determine this amount for ourselves is to take, for example, the amount of wheat produced in the country, and the amount exported, subtract the exports from the product and determine the amount consumed in this country. The same thing can be done practically with every staple product. The state, therefore, can determine every year in advance

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how much of every staple product *must* be produced for the needs of the country. It will, of course, add to the amount actually needed a margin to provide for poor crops and other accidents.

Let us consider how this control will be exercised as regards farm and dairy products. It has been already suggested that land should be classified according to geographical conditions, exposure, and soil. The productivity of the farm colonies will of course be known by the state. Every private farm will have its productivity roughly determined and every farmer will be expected to produce a minimum amount. Of the amount he produces, a part will be taken as taxes to furnish the government with the means to pay for administration. The rest will be paid for partly in gold and partly in orders on the state stores. The object of this system of payment is the following:

It has been explained that taxes will be paid in produce. This payment therefore needs no further comment. A minimum product ascribed to every farm will be paid for with orders on the state store. This represents the amount which the farmer *must* produce to keep his farm. It also represents the amount which the state *must* have to supply its citizens with food. All over and above this amount will be paid for in orders on the public store, or in cash, as the farmer shall elect; or, if the farmer chooses to dispose of this part to private traders he will be at liberty to do so. By this method the community will be furnished with produce belonging to three different catagories: produce in the shape of a tax for which the farmer receives no compensation, this being practically the rent he pays the state for his land; second, the minimum produce for which the farmer receives equivalent orders on the public store, this category being the pro-

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duce upon which the community depends for its sustenance.

The order upon the public store need differ in no way from the greenback of to-day except that, instead of entitling the holder to a dollar's worth of gold, it will entitle him to a dollar's worth of goods in the public store. Thus if wheat can be produced in a coöperative commonwealth at 50 cents per bushel, as seems likely,[1] the farmer will receive for every two bushels an order for one dollar on the public store.

The third category which represents the surplus above what the farmer is required to produce in order to keep his farm, will constitute a surplus of production applicable to exchange for luxuries and foreign goods. This exchange can be made directly by the farmer or by private banks and private merchants, or by the state.

Let us consider the control the state must exercise over, and the rôle it must play in, the distribution of products of socialized industries such as oil, sugar, steel, iron, leather, etc. The amount of iron and steel required by the nation in the course of a year is not as constant a quantity as the amount of wheat. It is, however, sufficiently constant to make it possible to establish a minimum. The state will begin by requiring socialized industries to furnish this minimum and determine the price to be paid for it, thus creating a stock on hand which can be accumulated so as to diminish the amount needed in subsequent years and furnish a reserve which can be called upon in case of extraordinary need. The state, having established the minimum of steel, sugar, oil, etc., which it needs, will require of the socialized industries

[1] See 13th Annual Report of the Bureau of Labor of U. S., p. 25, where the cost of producing wheat under the best conditions is approximately 30 cents per bushel.

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to produce this minimum. It will also require them to produce, in addition, an amount necessary to contribute their share to the maintenance of the government. Every associated industry, therefore, will furnish at regular intervals the result of its manufacture in three categories similar to those already explained—a part for taxes; a minimum already referred to that will be paid for in orders on the public stores, and a surplus of which it can dispose either to the state or directly to foreign bankers and merchants. In this way, every associated industry will so adjust its manufacture as to produce these three categories; the proceeds of the surplus will be applicable in the first place to the support of workers through accidents, illness, and during old age; and the rest will be divided as profits amongst those engaged for example in the steel industry. These profits will be applicable to the purchase of luxuries either produced at home or produced abroad.

Under this system the coöperative commonwealth will have goods to exchange with foreign countries and will to this extent be a merchant as regards all those things which it holds in excess of the needs of the community, and as regards that surplus which it may purchase from the farmer and the socialized industries. This leaves room for a system of private banks and private enterprises in international trade; for the farmer and the socialized industries will be free to trade their surplus through the government or through private individuals as they may consider most to their profit.

The distributive stores will present very much the same aspect as our department stores of to-day except that, though they may be even more gigantic in size, they are not likely to be as diverse; for a large proportion of the things now dealt in by department stores will doubtless

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remain in the hands of private industry. The essential duty of the state will be to provide its citizens with necessaries, not luxuries pertaining to taste and pleasure.

The state store will be divided into two departments, retail and wholesale; not that a different price need necessarily be charged in the retail than in the wholesale department, but because the machinery for furnishing builders with bricks is different from that for furnishing housewives with groceries. The state stores will also have a system for the regular delivery from door to door of such necessaries of life as are daily or at stated intervals consumed, e.g., milk, bread, coal, ice, meat, vegetables, and fruit, thereby applying postoffice economies to the distribution of these things.

The labor of distribution will be diminished by the slow transformation of city dwellings into gigantic apartment houses so constructed as to give the fullest supply of light and air to every room; and these apartment houses will have a distributing system of their own to the relief of the state.

As regards alcoholic drinks, the state will undoubtedly undertake the production of these with a view to taking this industry as far as possible out of private hands. It will not be necessary, however, to take it entirely out of private hands provided all private production is subjected to vigorous control. But the distribution of alcoholic liquors will probably be monopolized by the state on the Gothenberg plan with, perhaps, the important feature which characterizes the Public House Trust in England; that is, the persons in charge will receive a salary and an additional commission upon the sale of non-alcoholic drinks, but no commission on the sale of alcoholic drinks; and this with a view to giving the persons in charge an interest in selling non-alcoholic

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drinks. Under these circumstances, there will be no temptation to encourage drunkenness and the rule of not giving alcoholic drinks to persons already under the influence of liquor will be complied with.

It will be possible under such a general system for the state to serve as a medium for an exchange of labor that will greatly enhance the pleasure of life. Under existing conditions, the factory works summer as well as winter despite the fact that temperature makes work during the summer irksome and dangerous to health and life; and at the very time that the population is debilitated by being called upon to work in factories during the heat of June, July, and August, the farmer is in despair because he cannot find help to take in his harvest. Once industries are associated so that they have a definite knowledge of how much they have to produce, there is no reason why they should not so adjust the work of the factory as to keep it open during the eight cool months of the year, leaving the factory hands free to help the farmer in the country during the four hot months. The same thing holds good with the farmer who, during the short cold days of winter, has little to do on the farm and can, therefore, to his advantage as well as to the advantage of the community, devote those months to factory work. There need be nothing compulsory about this exchange, for socialized industry is master of its own time and can distribute its work throughout the year as it chooses. But the fact that the state is possessed of the knowledge how much is to be produced by every factory and how much by every farmer—how many men are needed in the winter in every factory and how many men in the summer on every farm, will enable the state to serve as a medium through which the factory hand can arrange to work on the farm during the summer

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and the farmer can arrange to work in the factory in the winter, if they respectively desire to do so.

It does not follow that the farmer is to be compelled to work long hours in the summer in the field and also in the factory during the winter; or the factory hand to give up his holiday in order to work on the farm during the summer. It has been shown that all the necessaries of life can probably be produced, even at the present time, by the adults in the community though they work no more than two hours and a half a day. If this be so, it would be easy so to adjust the work as to enable those who desire it to work more hours in the day and become entitled to so much longer vacation. The foregoing is only intended to show that in addition to the vacation which can be thus enjoyed, the farmer can relieve the monotonous existence of the farm during the winter months by work in the factory, and the factory hand can escape from factory conditions during the summer to his own advantage and to the advantage of the community at large.

Another object we have in view is to put an end to the anarchy which exists in all that part of our industry which has not been concentrated into trusts—the anarchy under which some things are produced in greater quantities than are needed, and some things needed are not produced in sufficient quantities—under which no producer can tell whether he is producing enough of a thing until the time for profiting by the knowledge has passed; no producer can tell whether he is producing too much of a thing until he is injured and even ruined by the discovery. It is, I think, obvious that all these objects are obtained by concentrating industry after the fashion of trusts in the hands of the men actually engaged in the process of production; by producing things not to make profit but

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to satisfy needs; and in the quantities which we know to be needed and not in quantities determined by the desire of the producer to make large profits checked only by the bankruptcy that attends production in larger quantities than the market will take.

Thus, the state orders thirty million tons of iron ore because we know that this amount of iron ore has served the needs of the country during a period of great activity, and will furnish not only all we can use ourselves in that year, but all that we can dispose of abroad. These thirty million tons represent then the maximum that we can usefully manufacture; and we can safely order thirty million tons because the state is not under the necessity to sell this iron to get gold with which to pay wages, rent, coal, and the running expenses of the factory. In a coöperative commonwealth there will be no rent to pay. The coal will be paid for in exactly the same way as the iron, by the issue of store orders.

The workers will get as nearly as possible the exact product of their work. There will be no capitalist who will take from them what the capitalist now takes, that is, about one-half of their earnings. Nor will those doing a low order of work receive as much as those doing a high order of work; every man will be paid according to his capacity; for we begin by assuming that the distribution of work according to capacity to-day is not far wrong, and so every man engaged in the steel industry will continue to receive the same wages as he received before with a certain prospect of an additional wage in the shape of profit, representing the difference in wage between the new conditions and the old.

Overwork will be impossible in the iron trade, because a sufficient number will be employed to prevent overwork. And unemployment will be impossible because if, at any

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period, it turns out that more iron is being produced than the community can use, the excess men employed in the previous year will be set to work by the state in some other industry.

The effect of such a discovery will be to diminish the number of hours required all round. It must not be forgotten how little work need actually be done to produce the things we need. Under these circumstances, we need hardly consider the question of overwork, for all will enjoy ample leisure. The hours of labor will not diminish in a great degree in the first year that an industry is taken over, for during the transition period, experience must be given time to demonstrate the extent to which hours of labor can be reduced.

And as regards unemployment, even though there be no industry in which, for instance, the surplus workers of the iron trade can be usefully employed, there will always be farm colonies where their labor can be self-supporting.

Another beneficial consequence of this system is that if, as is likely, it turns out that thirty million tons of iron are more than we can use, the state will not be obliged to dump the excess upon European markets as do now the trusts,[1] thereby incurring a heavy loss to the home industry and arousing the animosity of the European industry affected thereby.

Again, no financial panic can hurt the iron industry. The bankers may gamble to their heart's desire. If they withhold gold the worst they can do is to injure those engaged in competitive industry. No withholding of gold can affect an industry which produces for use and not for profit and receives weekly the wages of its employees in a currency which, because it is not gold or

[1] Book II, Chapter II.

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based upon gold and not, therefore, within the control of the banker or the financier, escapes entirely the evil effects of financial operations. Nor can such an industry be affected by what are called "industrial panics"; for industrial panics are the result of overproduction—of the anarchy that exists under the competitive system. These panics may affect competitive industries, but cannot affect guild industries built on yearly state orders for definite amounts calculated beforehand from the known needs of the community, and not left as now to the anarchy and accidents of the market.

Neither financial nor industrial panics can ever have the terrible consequences in a coöperative commonwealth that they have under existing conditions, because in a coöperative commonwealth all the necessaries and most of the comforts of life will be produced upon the co-operative plan, and therefore, a financial or industrial panic can only affect that part of industry which proceeds under the competitive system and as regards, for the most part, luxuries and not necessaries of life.

Obviously, the system of store orders cannot be applied upon the first transfer of an industry from the hands of the capitalist to those of the guild. For a time gold will have to be used until the transformation from capitalism to coöperation has been sufficiently extended to put the state in a position to open public stores. There need, however, be no anxiety as to the state not being in possession of enough gold to handle this part of the business, because it will obviously be the first duty of the coöperative commonwealth to expropriate the mines and put itself in possession of the gold necessary to carry on financial operations with the guilds until such time as the public stores can be usefully opened. Moreover, in taking over the gold mines, the state will also take over

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the iron mines; and iron ore will be furnished to the iron guild under conditions that will make the necessity of the use of gold far smaller than it would be if the iron ore remained in private hands and had to be paid for in gold. The state will only have to pay gold representing the labor cost of extracting the ore, and will not have to pay miners' profits.

Under this system, there is no temptation to mine more ore or to cut down more forests than is absolutely necessary for the needs of the community. When every member in the community is educated to understand that waste means more work for himself and that the saving of waste means less work for himself, every man in the community will have a direct personal interest in discouraging waste and promoting economy.

Obviously, too, industry will be conducted at its maximum efficiency. Instead of being slaves of the market, we shall become its master. We shall have only so many factories running as are necessary to produce the things we need. Every factory will be running at maximum capacity, at maximum efficiency.

It will be observed that it is proposed to pay the same price for pig iron after taking over the industry as was paid under competitive conditions at the time of the transfer. The objection may be made that this is obviously improper; that it is not fair to the workers in other industries to pay what is known to be an excessive price to the workers in pig iron. To this it may be answered that it will always be better to apply a regular rule than to leave questions of this kind to arbitrary administrative action. Besides, the rule that on taking over a new industry the price paid for the production of the first year shall be the price ruling at that time, will eventually put all industries upon the same footing. At

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the excessive prices now ruling, the workers will during the first year get a larger proportion than they will ultimately be entitled to; but the larger proportion they will get this year will be needed to face the initial expenses of a higher standard of life.

But here comes the most serious objection that can be made to this plan. It has been said that these prices will have to be revised; that if those manufacturing cotton thread believe themselves to be receiving less for the work they accomplish in their industry than those engaged in making pig iron, they will insist on revision; if so, there will be continual altercations between industries as to the price to be paid for their goods and as to the share in this price that each is to receive; and the problem arises, who is to settle these innumerable questions?

This difficulty is the one that tends to make communists of us. It would be easy to wave away this difficulty by providing that the total profits be divided equally amongst all the members of the community. Humanity, however, is not prepared for such a system. Generations of selfishness have so determined the minds of those who are likely to have to decide these questions in a coöperative commonwealth, that the idea of paying the man at the head of the iron guild the same wages as the man who puddles, will seem too preposterous to be entertained. Whether man will ever develop to a point of unselfishness that will enable him to entertain this idea is a matter of speculation. Suffice it to recognize that if Socialism is to come within one hundred years, and if we take into account the attitude of the public mind as it is to-day, and the slowness with which the public mind changes in matters so radical as these, we shall have to recognize that Communism is still beyond the range of practical

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politics; and we shall have to face the problem how the questions of the price of goods and the remuneration of the individual are to be solved.

§ 8. Remuneration

It has been pointed out that the proportion at present received by the various grades of workers in an industry, from the man who manages the whole industry to those who do the least skilled work, will at first be maintained. It may be that the salaries paid to managers at present rates may seem so exorbitant [1]—so out of all proportion to those paid to others—that there will be an outcry against it, leading to a diminution of these salaries. For present high salaries to managers are due to the extraordinary difficulty of handling industry under competitive conditions—difficulties that will in great part disappear when coöperative conditions are substituted for competitive conditions. With the exception of these highest salaries, probably the wisest rule will be to maintain at first the proportion that exists at the time when the industry is taken over. Taking over these industries will at once raise the salaries of all because they will receive the share of the profits which now comes to the capitalist, after the deduction of sums paid to annuitants. Nevertheless, it cannot be expected that the proportion now existing will be indefinitely maintained.

The cost of management under competitive conditions is far higher than it would be under coöperative. A railroad man once pointed out to me that the coöperative

[1] For example, it is generally believed that the President of the Steel Trust gets over $100,000 a year. Before the insurance investigation presidents of life insurance companies got similar salaries. Railroad presidents are also paid at similar rates.

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system is impossible because it would be impossible for the government to find men capable of handling railroads at the price habitually paid by the government for such services. He pointed out that genius is necessary to handle railroads,—the genius of such men as J. J. Hill and the late E. H. Harriman. When, however, it was explained to him that the reason why it was necessary to have such men as Harriman and Hill run our railroads was the competition between them, and when he was asked whether it would be necessary to have such men if our railroads were run as our postoffice is run, he admitted that under such conditions nine-tenths of the difficulty of management would be eliminated.

Obviously, therefore, the enormous salaries paid to men at the head of trusts, life insurance companies, and railroad systems, would no longer be earned, and of course they would no longer be paid.

What is true regarding the heads of these industries is true throughout a large part of the administration. It would need less of the faculty which characterizes the larger carnivora and more of the faculties which characterize the beaver and the ant. For these humbler services lower wages would be paid. This does not mean, however, that there will not be in the state room for men of the constructive ability of Harriman and Hill; but these men will not be the servants of our industries, they will be the servants of our state; and the genius that is now absorbed by business, will, in a coöperative commonwealth, be more usefully employed in the larger fields of politics.

After this slight digression, let us return to the question how far the remuneration will be subject to revision.

It may be that the lower grades will not be subject to revision at all; that all the iron ore we need can be

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produced by working four hours a day during eight months of the year, and that the rate of wages earned upon the old scale increased by the profits to which workers will be entitled will, without changing the proportion, furnish a standard of comfort such as to-day it is difficult to foresee. It is probable, however, that workingmen who are to-day members of the Socialist party will not agree with this prognosis, but will insist that in a coöperative commonwealth the whole scheme of remuneration will have to be revised. If this be so, it is useless to deny that the revision of this rate of wages will be a matter of difficulty and that the difficulties arising will tend to be perpetual.

Obviously, there must be some plan devised under which these matters will be better adjusted than by a government board, as has been suggested by certain Socialists. Mr. Hillquit [1] quotes with approval the words of Kautsky that government in a coöperative commonwealth will change in character, and that the state will no longer govern, but administer, and this is to a large degree true. But if the administration is to determine what every man is to receive as compensation for the work he does, it is clear that matters of such vital importance cannot be referred to the arbitrary action of a board of administrators.

It seems to me that it will be indispensable to submit these matters to an industrial parliament in which every industry will be represented. And as the determination of these questions will be a matter of the greatest importance to every individual, it is probable that these parliaments will have to be bicameral for the same reason that our government is bicameral; for the same difficulty will present itself. New York insists upon

[1] "Socialism in Theory and Practice," p. 133.

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having its large population represented in Congress. Rhode Island, on the other hand, in spite of its small size, insists upon having its state sovereignty represented; so New York is given a representation in proportion to its population in the Lower House and Rhode Island is given equal representation in the Upper House. Exactly the same situation will present itself it regard to industries: Certain industries will be enormous and will want to be represented in proportion to their size; for example, the steel industry. Others will be much smaller but perhaps of much greater importance; for example, the engineers. They will want to be fairly represented in spite of their small size and I see no way of adjusting this other than by adopting an industrial parliament of two chambers, in one of which representation will be according to numbers, while in the other every industry will be equally represented irrespective of size. This may seem a cumbersome system, but it will take no more time than the administration of the trade union takes to-day, and will not be half as costly; for the trade union of to-day has to accumulate funds to provide for unemployment, old age, sickness, and strikes. Strikes and unemployment it will not be necessary to provide against and the others will be provided for by every guild for their own members. The question, therefore, of the adjustment of price and wages will occupy far less time than is now occupied by federations of trade unions.

It is probable that the conclusions to which the industrial parliament will come will not be final. It will be deemed wise to refer them for execution to the general government. This matter, however, belongs to the chapter on the political aspect of Socialism.

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§ 9. Circulating Medium under Socialism

It may not be clear at first sight why it is proposed to substitute store checks for greenbacks or gold. Early Socialist writers—particularly Rodbertus—attached much importance to the elimination of gold and the substitution therefor of what they called "labor checks"; a currency representing time spent in labor. Modern Socialist writers have been disposed to cast aside all efforts to substitute this kind of currency for gold. Mr. Hillquit quotes Kautsky [1] with approval on this subject:

"'Money,' says Kautsky, 'is the simplest means known up to the present time which makes it possible in as complicated a mechanism as that of the modern productive process, with its tremendous far-reaching division of labor, to secure the circulation of products and their distribution to the individual members of society. It is the means which makes it possible for each one to satisfy his necessities according to his individual inclination (to be sure within the bounds of his economic power). As a means to such circulation, money will be found indispensable until something better is discovered.' " [2]

Upon this point I find myself at variance with modern Socialists. In Book II, Chapter VI, on Money, I have endeavored to show how the use of gold for currency puts those who own and handle gold in a position practically to control the entire country. If I have failed in proving this, there will be no occasion for substituting anything for gold. But if I have failed, it is, I think, my fault; or perhaps Socialist writers on this subject have not had, and do not possess, the intimate knowledge of financial

[1] "Socialism in Theory and Practice," p. 119.

[2] Karl Kautsky, "The Social Revolution," p. 129.

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affairs indispensable to an understanding of this subject. If Mr. Kautsky had practiced law in America, and had had American financiers for his clients, he would not, I think, have failed to understand that money is still more to-day what it always has been since the beginning of the civilized world—the "root of all evil." By money, I mean not currency, which is indispensable, but the use of precious metals as the sole fundamental medium of exchange; because the amount of such precious metals being limited, the few, who under competitive conditions contrive to get control of these metals, become by virtue of this control masters not only of our economic, but of our political conditions.

Mr. Hillquit says[1] that the principal economic classes and interest groups are represented by separate and well-defined political parties; and that the "only exception seems to be presented by the money-lending group of capitalists, who, as a rule, do not form parties of their own. This, however, may perhaps be accounted for by the function of money capital, which can become operative only in connection with the other forms of capitalistic ownership, but has no independent productive existence."

It is misleading to endeavor to draw conclusions from political groups which characterize politics in Germany and France, and there is, I think, a better reason why the great "money-lending group of capitalists" or financiers do not form parties of their own.

Mr. Hillquit is doubtless right in saying that the "Republican party is substantially the party of the modern capitalists," "while the Democratic party is largely the party of the middle class"; nevertheless, in America, as in Europe, the so-called interests and capitalists belong to no one party, because they must and do control both.

[1] "Socialism in Theory and Practice," p. 164.

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And it is because Socialist writers do not seem to be aware of the extent to which they do control politics, that comparatively little interest is taken by these writers in questions of currency.

No one who lived in Europe during the Boer war is ignorant of the immense desire of both France and Germany to intervene on behalf of the Boers, and they certainly would have intervened not only because it afforded them a good opportunity to crush England, which one of them openly and the other less openly desired to do, but because such a war would have been popular with the masses in both countries. One thing alone prevented this: Financiers in France and Germany were heavily interested in African gold mines and it was their influence that turned the scale against the crushing of England at that time.

In America, the revelations of the life insurance investigation told all the world what Wall Street previously knew: that big corporations contribute to both Republican and Democratic parties and practically control the action of the Democratic side of our legislatures as well as the Republican. Nothing could have been more transparent than the influence of financiers in the decision whether Cannon and the rules that make Cannon supreme in Congress were to be maintained. The Wall Street Group, which had a lobby in Washington, appealed to the Republican majority not to disorganize their party by fighting against Cannon personally, promising that the Republican party would alter the rules that gave him his present autocratic power; and when in compliance with this promise, Cannon was reëlected and the rules came up, the same lobby secured enough Democratic votes to maintain the rules in spite of the adverse votes of the insurgent Republicans, the argument then used

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being that the tariff bill could not be passed unless the rules were maintained.

Again, after Taft had, on three separate occasions, solemnly promised the people, if he were elected, a revision downward of the tariff, the same lobby secured a revision of the tariff upwards. We are assured by Messrs. Aldrich and Payne that the revision is a revision downward. How, then, will they explain the extraordinary haste with which ships sought to reach this port before the new tariff came into effect?[1] Were these ships hurrying to port in order to escape the payment of a low tariff? It may be answered that although the tariff was raised as regards certain articles, it was lowered as regards others. To this I have but to quote the *Reviews of Reviews* for September, 1909, and the articles entitled, "The Payne-Aldrich Tariff," which follow in subsequent numbers. The *Review of Reviews* is quoted rather than other periodicals because it is recognized as a supporter of the so-called Roosevelt policies and, therefore, cannot be accused of Socialistic tendencies. It is seldom that the Interests have gone so far as to elect a presidential candidate on a definite promise and deliberately, as soon as the candidate was elected, to violate their promise. But the Interests have at this moment such control over our politics that they can even do this; and it seems very doubtful whether this treachery will ever be materially punished.

If, as I believe, it is important that the competitive system be allowed to survive in the coöperative commonwealth, it is obvious that it can only be tolerated on the condition that the community be safe from such political

[1] See any daily newspaper between March 16, 1909, when the bill was introduced in the House, and Aug. 6, 1909, when the law went into effect.

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control as this. And for this reason it seems to me essential that the use of gold as currency be limited; and that as regards the exchange of all the necessaries of our existence, we should have a currency that entirely escapes the control of the financier. This is the reason why I have insisted on the use of store checks which are just as convenient and secure as our present greenbacks.

There seems to be no other way of eliminating the undemocratic autocracy of the financier than by some such system as the one above described; that is to say, the issue by the state of orders on the public stores to the extent of the goods in the public stores, which may in their general appearance differ but little from the greenback of to-day: Instead of reading "Good for $1.00 gold currency," they will read "Good for $1.00 at the public stores." This public store currency will eliminate the use of gold and silver throughout the socialized industries and as regards all agricultural products except a very small portion. Every socialized industry and every farmer will furnish to the state the bulk of his produce—that is, the minimum exacted by the state—in exchange for this kind of currency.[1] It is only the surplus—the amount produced by the farmer and factory above the minimum established by the state—that the farmer and the factory will be at liberty to sell for gold instead of exchanging for public store notes; and of this surplus the farmer and factory will be free to sell as much as they choose for public store notes, so that gold and silver will constitute a small part of the medium of exchange. This system will have the following advantages:

[1] Obviously, until all the industries are socialized, a part of this minimum will have to be paid in gold. When, however, all the industries are socialized, the whole of the minimum will be paid in store checks.

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It will practically eliminate the present control of political and economic conditions by financiers. So long as the currency used in exchanging necessaries and comforts is rescued from the control of financiers, it is a matter of comparative indifference whether the financiers control the currency used in the manufacture and distribution of luxuries, for such control will have practically no effect upon the things necessary to human existence.

It will give to the state the use of the gold coin which is now accumulated in its treasury for the redemption of its notes; and the state will use this large gold fund for the purchase of the products of other nations.[1]

Let us see how this proposed system of store notes will work in a given manufacture:

The state will order the steel guild to manufacture thirty million tons of pig iron (the amount produced in 1907 was a little over twenty-six millions); and will allot to the steel guild for the supply of steel six hundred and and sixty million dollars in store notes, this being calculated at the rate of $20 a ton. (The price in 1907 was a little over $22.) These $660,000,000 will be paid to be steel guild in the following manner:

Every week a number of store orders will be issued to the amount of the wages of the week and of the fixed charges. At stipulated periods the steel guild will furnish the state pig iron so that the state will never have advanced to the guild store orders amounting to more than the value of the pig iron in the store, an exception of course being made for the first few weeks that the industry proceeds upon this basis. Upon the delivery of pig iron at these stated periods, the state will deliver the difference between the weekly amounts already paid and the price of the pig iron delivered. If deliveries of pig

[1] See Appendix, p. 431.

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iron can be made once a month, this will enable a repartition of a part of the profits so that the workers will not have to wait until the end of the year before they receive their profits, the final dividend being paid at the expiration of each year.

Such an order as the above will serve the following purposes and have the following consequences: the steel guild will have a definite order for a definite amount of pig iron to manufacture. It will know exactly how many men it will need to manufacture this pig iron. It will employ a few more men than those employed in 1910. The state will issue to the steel guild weekly the amount of store notes necessary to pay the wages upon the same scale as in 1910. Men engaged in the Steel Trust at the moment of transference will continue to work and receive the same rate of wages; but they will be entitled to their share of the profits after the amounts due annuitants and the amounts necessary to create a fund for old age and sickness have been deducted. Obviously, this first order of thirty million tons is far larger than the country uses, because a large part of the product of 1907 was exported. The amount thus exported will be at the disposal of the state either to export, or exchange for foreign products, or to set aside as a reserve upon which the state can draw in case of deficit.

§ 10. Summary

Let us now consider the purposes we have in view in this proposed economic organization of the coöperative commonwealth and how far we attain these purposes:

The main object of a coöperative commonwealth is to give to all workers as nearly as possible the exact product of their work. It may be interesting to note that this is

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the ideal that Mr. Roosevelt himself proposes, and he objects to Socialism because he thinks Socialism will on the contrary allow the "thriftless and the vicious" to profit. These words describe not a coöperative commonwealth, but existing conditions. For example, such a degenerate as Harry Thaw, who would, I suppose, according to Mr. Roosevelt be classified as one of the "thriftless and vicious," obtains his income from the profit created by others who work for it; whereas those who work, instead of getting the full product of their work, are obliged to see that nearly if not altogether one-half of it goes to the support of the idle, among them this young man. These are the exact conditions to which Socialism proposes to put an end, and, therefore, I point out that the principal object that Socialism has in view is to do exactly the thing that Mr. Roosevelt wants to see done—to undo the very things to which Mr. Roosevelt objects.

Another principal object of this proposed organization is to prevent overwork and unemployment, that necessarily lead to drunkenness, pauperism, prostitution, and crime.

A third thing which this system of organization proposes to do is to preserve the resources of the country; and here again we find ourselves realizing the ideal of Mr. Roosevelt. The single idea of a lumberman is to sell lumber—not to preserve it; the idea of a coal miner is to sell coal—not to preserve it; the idea of an iron miner is to sell ore—not to preserve it. In a coöperative commonwealth there is no desire to make profit out of these things. The one object in view is to use our lumber, coal, and ore to the best advantage and with the least waste.

Another object we have in view is to produce with the greatest economy, with the greatest efficiency. We do

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not want forty refiners engaged in refining sugar where seven will suffice.[1] We want all our factories while they are working, to be working at their best efficiency, not on half time or with only one-half the engines going. We also want the things we need to be produced in such a way as to take advantage of every waste product—a thing that can only be done when industry is concentrated in the hands of a single guild instead of being distributed as it tended to be (before the organization of trusts) in the hands of many competing manufacturers.

This system of production and distribution would maintain the present check upon overpopulation which Mr. Huxley regarded as the principal objection to Socialism;[2] for under this plan, although every member of the community would be assured a comfortable income, his comforts would be limited by the number of children he brought into the world. Experience shows that the prudence of the middle class to-day constitutes a check upon overpopulation; that, in other words, overpopulation is to be feared, not in the middle class, but in those, such as the extremely poor, who are under no prudential check.[3]

The imprudent in such a coöperative commonwealth as is above described, have always before them the prospect of the state farm with its different degrees of unattractiveness. If, therefore, to-day workingmen look upon the almshouse with abhorrence, it does not seem unreasonable to suppose that the workers in a coöperative commonwealth, accustomed to a far higher standard of living than the workingman of to-day, would be deterred

[1] Book II, Chapter I.

[2] I am not aware that Mr. Huxley has ever suggested any other objection to Socialism than this; but I may be mistaken.

[3] "Government," Vol. I, p. 339.

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as much by the prospect of committal to a farm colony as a self-respecting worker to-day is deterred by the prospect of the almshouse.

But there is another point of view from which the question of overpopulation must be considered: The increasing independence of women in America has already served to diminish the increase of population to the extent which our sociologists regard as alarming. The population of the United States is increasing chiefly through immigration and the increase of immigrants. Here, as elsewhere, it is the extremely poor that propagate. Indeed, as women become more and more independent economically, as they certainly would in a coöperative commonwealth, there seems to be more danger of underpopulation than overpopulation. But here the state can no doubt exert a very important influence; for if there seems danger of underpopulation it might increase its tax upon the industries of the state and apply the tax to the support of children so as to relieve parents at the expense of the entire state, of the cost of educating children, thereby removing all economic motive for underpopulation.

I think, moreover, that since Mr. Huxley's day the whole opinion as to overpopulation has changed. There is not a shadow left of the fears of Malthus; for the extraordinary results published in the 13th Annual Report of the Bureau of Labor show that productivity is likely to increase rather than diminish in a coöperative commonwealth, in view of the fact that all those now engaged in pure competition and therefore a burden on the community, will be put to the work of production, thereby increasing the productivity of the nation relatively to its numbers.

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CHAPTER III

POLITICAL ASPECT OF SOCIALISM

THE importance of the political aspect of Socialism depends upon the kind of Socialism selected for study. In Fourier's system, the social side altogether predominates—the political side is relatively unimportant. In state Socialism, on the other hand, the political side is the most important and the social side is subsidiary. In modern Socialism, the government takes an intermediary position; the functions of the state under modern Socialism would be in some respects less extended than in such a government as that of Prussia; while in other respects it would be more extended; but in no department would it assume the excessive power and interference generally associated with Socialism in the public mind.

It cannot be too emphatically repeated that modern Socialism discards the idea of a common home or even of a common table except to the extent that a common table is sometimes found convenient in our own day. To just the same extent the coöperative commonwealth discards the idea of state ownership of industry and state ownership of land except within the limits set forth in the previous chapter.

The two great political objections to Socialism are: that it would give to the government a power destructive of individual liberty; and that the corruption in our

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existing government demonstrates the unwisdom of increasing the scope of its operations.

On the first of these objections it is not necessary to dwell; for it is obvious that the moment state Socialism is abandoned, this objection falls to the ground. The state no longer has the onerous and probably impossible function of assigning tasks; the state no longer controls the hours of labor; the state no longer interferes in the private life of the individual any more than to-day. The relations of the government are not so much with the individual as with conglomerations of individuals in the respective industries; and even here, the government does no more than indicate the amount of a given thing that must be produced and the rate at which the thing so produced is to exchange with the other necessaries of life. It has been suggested that just as in France where commercial cases are brought before purely commercial courts and thus separated from civil and criminal cases, so all things pertaining to production and distribution might be determined by an industrial parliament that would determine such matters as the amount of a given thing to be produced and the rate at which this thing is to exchange with other necessaries, subject to the approval of Congress.

Such a system would have the great advantage of referring business matters to business men who would bring no other than business considerations to the solution of them. It would relieve Congress of the necessity of discussing commercial details with which its members are generally unfamiliar, and it would above all prevent that sacrifice of business interests to purely political considerations which often occurs to-day.

There will be an important rôle to be played in determining the amount of the various necessaries of life

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which the socialized industries will be called upon to produce, in distributing these products, exchanging surplus products with foreign markets, and distributing the proceeds of these exchanges. All this work is of a purely business character and should be confided to business men, who have shown themselves by their practical success in business fields most fitted therefor. It would seem wiser to refer these matters to a parliament composed of the representatives of associated industries, of agricultural producers, and of distributing bodies. It would be the duty of such a parliament to appoint its own executive and cabinet, and it may be advisable to associate with the representatives of agriculture and industry in such a parliament, representatives selected by the citizens at large, so as to minimize the possibility of combinations between powerful groups of industries for the purpose of determining questions of public interest to their particular advantage.

No attempt will be made here to work out the details of such a system, the object of this book being rather to indicate the possibility of doing these things than to point out the particular method by which they should be done.

The objection that the corruption in our existing government demonstrates the unwisdom of increasing the scope of its operations seems at first sight a formidable one. If our government is as corrupt as our "yellow journals" make it out to be, it seems folly to extend its functions and give it larger opportunities for the exercise of this corruption and for the demoralization of the community which this corruption tends to produce. There are, however, many reasons for believing that the less government has to do, the more corrupt it is; and the more it has to do, the less corrupt it is.

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For example, the Board of Aldermen in the city of New York was once the governing body of the city. It was a body to which men of importance belonged because its functions were important. When corruption crept into the Board of Aldermen the legislature was persuaded more and more to abridge its powers, and Tweed availed himself of this disposition to take practically all the powers of government out of the hands of the board and concentrate it in a small body of men called "supervisors," to which he took care that he and the members of his ring should belong. Some time after the Tweed ring was broken up the Board of Aldermen retained the right of confirming the appointments of the mayor; but this power too was taken from it by ex-President—then Assemblyman—Roosevelt in 1884, and from that year the Board of Aldermen became little more than a franchise-bestowing corporation. The board has consequently become so corrupt that the title of Alderman, which used to be a title of honor, is in New York a title of disgrace. If we compare the Board of Aldermen to the board which corresponds to it in London, we shall find a totally different state of things. In London it is the County Council that governs the municipality, and accordingly we find on it men who stand first in the ranks of the business world.

But there is another consideration of vastly more importance than this. New York citizens continue to complain year after year of the low order of men selected by its citizens, not only to the Board of Aldermen, but to all elective offices, including the State Assembly and the Senate. Yet they do not stop to inquire the reason for this, though it is obvious. What stake have the majority of New York citizens in the government of the city? The vast majority are not interested in the tax rates,

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for they do not pay taxes, or do not think they do. The majority are not interested in an efficient fire department, because they do not own property likely to be destroyed by fire and, indeed, it is said that it is members of this very majority that start most of the fires in New York. They are not interested in clean streets, for foul though our streets be, they are not as foul as the unwholesome tenements. They are not interested in an efficient police. They are not interested in a board of education, because all they want to get out of school for their children is reading, writing, and arithmetic—enough to get a job. It is difficult to see in what respect the large majority of our citizens are interested in good government at all.

What then are they interested in? They are interested in bad government. They want to get a brother or a cousin on the police force; and they want the police to be complaisant to a brother or a cousin in a liquor saloon. The retailer does not want to be disturbed in his encroachments on the sidewalk. The building trade does not want to be annoyed by a too conscientious building department. The German wants his beer on Sunday and barrooms want to do business on Sunday. The peddler wants to violate street ordinances and stand his cart in the already too crowded streets. Churches want to receive per capita contributions to their asylums and have long made efforts to secure per capita contributions to their schools. The gambler wants to keep open his gambling den; and the people want the gambler to be undisturbed. The business man, the corporation, and the criminal want to be "let alone"; and those dregs of the population too low to be able to use the vote, want to sell it for a pittance on election day. These are the conditions under which distinguished citizens and committees of one hundred expect to secure good gov-

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ernment! And we go on ineffectually organizing municipal leagues, good government clubs, and citizens' unions to this hopeless end. It is not reasonable to suppose that in a government determined by the majority we can expect the government to be good when the majority does not want the government good, but wants it bad.

Occasionally the government in New York gets so bad that it outrages even our outrageous majority, and the overthrow of bad government is regarded as a triumph for reform. But no reform movement has ever lasted more than one administration. The public has emphatically assured us, over and over again, that it does not want reform administration, and indeed it may be said that some of these reform administrations have been just as bad as those they were intended to reform.

Municipal politicians want good laws, if at all, in order to use them for the purpose of levying blackmail, and the community is willing to pay the blackmail so long as it is not too extortionate. Business men find it cheaper to pay blackmail and be allowed to do what they want. And the same is true all the way down the line until we get to the criminal class, which has the biggest stake in bad government of all.

Yet the strange anomaly of existing conditions is that while the majority of the citizens of New York have shown year after year for a century that they want bad government and mean to have it, these citizens are not bad men, but want to be good. It is the folly of our economic conditions that makes them want bad government, and no more pitiable sight was ever presented to gods and men than this city of New York, or indeed any other of our great cities, full of citizens animated with the best intentions, forced by economic conditions to be bad. It has not yet seemed to dawn upon the reformers

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of the present day that, if they want to have good government, the majority of the citizens must be interested in the government being good; and not, on the contrary, interested in its being bad as at this present time.

There are two ways of accomplishing this. One way has been pointed out; to put an end to the competitive system that sets every man at the throat or pocket of his neighbor. The other is to enlarge the functions of the government sufficiently to make it important to every citizen that the government be good; then only will public spirit become stronger than private interest.

This conflict between public spirit and private interest is not a matter about which there can be any longer any doubt. When a group was engaged in organizing the City Club, we were told not once but a dozen times by a dozen different men of high standing in the community, that the whole question of good government to them resolved itself into this: "Can I by contributing money or time to reform sufficiently reduce taxes to make it worth my while to give my time and my money to this thing; or is it not better for me to use my money in purchasing protection from the organization that now controls the city and devote my time to my own private affairs?" To these men the question of good government was simply a question of tax rate, and these citizens are the ones least touched by political conditions. When we come to citizens whose business puts them continually in contact with political conditions, we find the contrast between public spirit and private interest still more marked; in the corporations that want franchises, in the builders who want their plans approved, and in the citizens already described who have an interest in keeping on good terms with the powers that be.

If now we remove the temptation on the one hand and

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give a motive for good government on the other, is it not reasonable to suppose that we are more likely to obtain good government than now?

Temptation can be removed in many ways. Altogether the greatest motive for corruption is that furnished by the eagerness of corporations to secure franchises. Indeed the city was at one time governed by the owners of our city transportation system. The temptation to violate building laws would be removed if it were the city who built and not the private individual. The temptation to vote for a corrupt police force would be removed if the city instead of private barrooms sold alcoholic drinks. The temptation to vote for corruptible milk inspectors would be removed if the city instead of private dealers supplied milk. In a word, if the city were to undertake the tasks heretofore suggested, practically all temptation for graft would be eliminated.

The same process would not only eliminate temptation for graft, but would give the citizens a stake in good government. If the city distributed milk the citizen would be interested in having pure milk at a low price; if the city owned tramways, the citizen would be interested in having transportation effective and cheap; if the city manufactured gas and electric light, the citizen would be interested in having good heat and light at proper prices; and so at last the dream of the reformer that all citizens of the same city regard themselves as stockholders in the same corporation, would cease to be a dream and would be realized. They would have the same interest in the gas plant, electric plant, ice plant, milk plant, transportation plant of their city as a stockholder to-day has in the dividends which these respective industries accord him, though the dividends would not be paid in gold, but in wholesome service at cheap prices. Then only would

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the conflict between public spirit and private interest come to an end, for a man would find it more to his interest that the government be carried on honestly and efficiently than he does now to secure a government that is dishonest and inefficient. In a word, as Mr. Mill said that the cure for the abuse of liberty is more liberty, so the cure for the abuse of government is more government. This must not be understood as a relapse in favor of state Socialism. It cannot be too often repeated that it would be as great an error to confide too much to the state as, at present, it is an error to confide too little to it. The solution is to be found in taking the middle course: *medio tutissimus ibis*. Give to the government the work it is fitted to do and no more. What work it is fitted to do and what work it is not fitted to do has already been explained.[1]

Amongst the tasks for which it is fitted is the work of Education:

§ 1. Education

There is no reason why the present system of education should be much changed in a cooperative commonwealth. In its nature it would remain very much the same and would only be extended in time; that is, all children who show themselves capable of profiting by education will have the opportunity of extending their education as far as their abilities justify. Education need by no means be confined to the state. There is no reason why the existing universities should not continue their work of education even though they be maintained by Rockefellers and Carnegies, and throw all their weight in support of the competitive system against the co-

[1] Book III, Chapter II.

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operative. Socialism stands for light, and if at any period in its development it turns out that the community is not fitted for the phase of Socialism which it has attempted, it may be important to correct the perfunctoriness of official administration by a larger dose of private initiative; and in such case let privately endowed schools and universities be there to preach this doctrine.

Nor need there be any objection to sectarian schools. Once the human mind is freed from the shackles of economic servitude, it can be trusted to choose its religion, whether educated by sectarian schools or not.

The essential difference between the educational system in a coöperative commonwealth and under existing conditions will be that, inasmuch as child labor in competitive industries will be absolutely forbidden, no child will be deprived of education by economic conditions. Every child, therefore, will have an equal opportunity for mental development.

And the fact that the hours of work will be shorter will give to every human being leisure throughout his his entire life in which to develop talents of which no trace may be observable during attendance at school or university. The coöperative commonwealth, therefore, without changing the existing forms of education, will furnish to every man, woman, and child an opportunity for educational development during the whole of life instead of confining it as now to the very first few years of it.

It is important to note that, under this system, every industry will be free to work as few hours as it chooses, subject only to the condition of working long enough to pay taxes, to furnish the minimum required by the state, and to create a fund to provide for sickness, accident, and old age.

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Citizens in this respect will divide themselves into different categories:

Some will want to work the least possible and devote the rest of their time to idleness or pleasure. Others will want to work at the particular industries in which they are engaged the least possible and devote the rest of their time to such things as will more interest them—to literature, art, music, or even to some other industry—even to industries competing with the state. Others, instead of working the short hours required in a coöperative commonwealth, will prefer to work long hours so as to have a longer vacation than that enjoyed by the majority; others, on the contrary, will prefer to work long hours at the industry to which they belong, not with a view to earning a longer vacation, but for the purpose of earning more wages applicable to the increase of their comforts, luxuries, and amusements.

It would not be difficult for every industry to take account of these various contingencies: A certain number of hours those engaged in a particular industry will have to work, but they will be far shorter than the hours of to-day. Those who volunteer to work longer hours will be allowed to work longer hours. The work of the factory will naturally be divided into two shifts: the one, a morning shift; and the other, an afternoon shift, so that one shift can put in all their work in the morning and the other in the afternoon. Who shall work in each shift will be determined primarly by choice and, wherever choice cannot be resorted to, by lot.

Such a condition of things as the foregoing would give to every industry the greatest opportunity for transfer from one industry to another. One who desired to exchange steel working for garment making, could work during the morning shift at the steel trade and during the

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afternoon shift at the garment trade; and when he had become proficient in the garment trade, he would be able to abandon the steel trade altogether and devote all his working hours to garment making.

Still more important, the system would give an opportunity to every man to develop his peculiar talents, however late in life. It is well known that men of genius often show no trace of their genius at school. It is impossible to calculate how much human ability is lost to the race by the fact that, not being observable in the few school years during which children are subject to observation, it is crushed out altogether in the competitive mill. The fact that the number of hours we shall have to work in a coöperative commonwealth would be small, would give to every man the rest of the day in which to develop his undeveloped talents.

§ 2. Churches

There is no reason why churches should not be supported in a coöperative commonwealth under exactly the same conditions as to-day. It is probable, however, that there will be a tendency to modify public worship so as to render it less subject to obvious objections than to-day.

At the present time, children animated with a desire to preach are encouraged to join the ministry; and it sometimes happens that men of vast business and political experience are made by the convention of respectability to sit every Sabbath Day under a boy in the pulpit reading crude theological essays. Few men are equipped in a manner usefully to instruct or advise their fellow creatures in matters so intimate as those of religion until they have attained years which, while they unfit them for

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the hard work of industrial life, do by accumulated experience peculiarly fit them for the work of the pulpit.

The divinity school and the divinity student will tend to diminish and our pulpits will be filled by men who have shown themselves during fifty or sixty years of active work in the community to be best fitted to fill them. And these men, having at that age earned a retiring pension, will not be at the expense of the community nor will they be required by economic conditions as at present, to preach doctrines as to the truth of which some are in doubt and others absolutely disbelieve.

§ 3. Political Construction

Let us see now whether we can come to some conclusion regarding the political construction of government under a coöperative commonwealth. The idea prevails that Socialism involves an extreme centralization of government. This, however, is quite contrary to modern notions of Socialism. Indeed, in one sense of the word, Socialism upon the plan already proposed would deprive the federal government of much of its power. Nor do I see any reason why our present federal form of government should be materially changed. For example, the present state governments would be maintained with practically all the rights they now enjoy, and the federal government would continue to operate with less than the enumerated powers given it by our present constitution. For example, instead of having as at present the right to regulate commerce, to coin money, and to make patent laws, these powers would be delegated to the industrial parliament subject only to the approval of Congress. And although the title of all such properties as railroads, mines, etc., would be vested in the United States, the

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effectual control and administration of these properties would be left to the industrial parliament, so that real power as regards these matters would be exercised not by the federal government, but by the industrial parliament, elected not upon the geographical basis of Congress, but by the industries respectively wheresoever situated, as explained in the previous chapter.[1]

It would be well to give the right of appeal to Congress because the industrial parliament would consist of producers and each would have an interest in securing for his industry the largest price possible. It may be feared that a few powerful industries might, by the number of votes they control in the chamber elected proportionately to numbers, secure for itself privileges not fair to other industries. This power would be restrained by the fact that the other chamber, elected according to industries, not numbers, would exercise a wholesome check upon any such attempt, and an appeal to Congress may therefore not be necessary. Nevertheless, Congress would represent the whole mass of the nation and would be, as it were, the consumers' parliament in its relation to the industrial parliament. And it would seem proper to give to Congress the right to reconsider and discuss all new departures in connection with the business of the country, not only out of consideration of the rights of consumers, but also for the dignity of Congress.

What under these circumstances would be the special functions of Congress? Congress would continue to exercise the powers it now exercises as regards collecting taxes, establishing rules of naturalization, providing for the punishment of counterfeiting, establishing postoffices and postroads, organizing federal courts, punishing piracies and felonies committed on the high seas, and offences

[1] Book III, Chapter II.

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against the law of nations, declaring war, and providing for and maintaining the army, navy, and militia.

The States would enjoy all the rights they now enjoy as regards the federal government; but the cities would enjoy much larger powers of government than they now do. There seems to be no reason why the question whether the city of New York should own its own subway should be referred to farmers sitting in Albany, who have no interest and little, if any, knowledge of the needs and resources of the city of New York. It is probable, therefore, that on the whole the effect of Socialism would be to decentralize rather than to centralize.

The parties in a coöperative commonwealth would probably be determined by the main issue between coöperation and competition, and we find here a reason for leaving to Congress the last word as regards the decisions of the industrial parliament. For the latter would be a parliament of coöperative industries and disposed, in protecting these industries, to perpetually invade the territory of competition. So long as humanity needs the stimulus of competition, it is essential that this element be fairly represented in the political organization of the state. All measures tending to restrain competition ought therefore to be subject to the approval of the whole nation represented in Congress.

One principal bourgeois objection to Socialism is that, under competitive conditions the men best fitted to run an enterprise are those to whom business enterprises are to-day confided upon the principle of the survival of the fittest; whereas under a coöperative commonwealth, the selection of those who are to manage industries must be left to the doubtful intrigues of politics. This objection cannot be seriously taken into consideration. There is probably nothing more difficult for the bourgeois to

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understand than the difference that would exist between the politics of a coöperative and those of a competitive commonwealth. In the latter, the field of politics is inevitably a cesspool of corruption, because every business man has something to lose or gain through politics. The tariff law just enacted presents one of the most recent illustrations of this. Not only so, but the men appointed to office and elected to Congress in our competitive commonwealth are selected by business interests, and not appointed because of special fitness for the task.

In a coöperative commonwealth this situation would be reversed. When all our comforts in life and the necessaries of existence are furnished by our municipalities and our guilds, the management of these municipalities and guilds will be of the utmost importance to every one of us. Our citizens, instead of being interested in bad government, will become interested in good government, in good management and in good administration. Here the public will benefit by the power of recall which, though it may work very imperfectly under competitive, ought to work well under coöperative conditions. For every man is interested in his municipal bakery furnishing good bread, his municipal gas plant furnishing good gas; and citizens will be so deeply interested in matters that touch them as nearly as this that they will not be influenced by political cabals to put in a bad man as superintendent of the municipal bakery, or to replace a good one by a bad one for purely political reasons.

One reason why our politics are bad to-day is that hardly any of us have time to give to making them good even if we wanted them good. The workingman who works ten or more hours in the factory and travels two or more hours to reach his work in the morning and return home when his work is done, can hardly have much

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vitality left to attend to politics. Indeed, the complaint of the trade unions is that he has not vitality enough left to attend to matters so important to him as those of his own trade union. But when the workingman in the first place is thoroughly trained by an education that will last not less than eighteen years—when he is not called upon to work more than four or five hours a day, he will have the knowledge necessary to understand his political needs, and the leisure to organise political movements when necessary to remove a bad administrator and put a good administrator in his place.

Indeed, popular government is impossible under capitalism for the reasons just stated; those of us who want good government have not the time to secure it. Popular government is only possible when the people are sufficiently educated to understand their rights and have leisure enough to organize with a view to enforcing them.

In the foregoing two chapters entitled, respectively, The Economic Construction of the Coöperative Commonwealth, and The Political Aspect of Socialism, I have endeavored to draw a picture of a coöperative commonwealth in which capitalism is eliminated from the production and distribution of all the necessaries and many of the comforts of life; leaving, however, full play to the existing competitive system as regards the luxuries, some of its comforts, and even as regards necessaries wherever the coöperative commonwealth fails to do its work up to the standard of taste of the community.

This picture has been drawn not because it is possible at this time to forecast exactly what this economic and political construction will be, but because many persons find it impossible to form to themselves any idea how things can be produced and distributed without the help of capitalism. No more is claimed for these chapters

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than that they do present a scheme by means of which necessaries and many comforts can be produced and distributed without the evils of capitalism, of unemployment, of pauperism, of prostitution, and of economic crime.

Obviously, the two foregoing chapters suggest a thousand questions to an inquiring mind, but I hope that the missing details cannot be classed amongst those details which Gladstone characterized as organic. In other words, I hope that they present a picture giving sufficient details to make it clear that Socialism, as regards the production and distribution of the necessaries and most of the comforts of life, is not only beneficial, but practical and economical; that, in a word, it puts an end to the waste and the anarchy which jointly characterize the capitalistic system of to-day.

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CHAPTER IV

SCIENTIFIC ASPECT OF SOCIALISM

HERBERT SPENCER has contributed more than any other modern writer to emphasize the effect of environment upon life, whether vegetable, animal, or human; yet, singularly enough, in applying his scientific conclusions to sociology, he entirely failed to take account of the essential difference which exists between natural environment and human environment; between the effect of evolution upon life prior to the advent of man, and its effect upon life subsequent to the advent of man. He applied to human development the laws of evolution which he found working prior to man, though man has reversed the natural process of development so that evolution, under the environment created by man, is taking and must continue to take a direction entirely opposite to that which it took under the dominion of Nature alone. Into what errors Mr. Spencer was led by his failure to recognize the difference between human and animal evolution may be gathered from the fact that he denounced governmental effort to prevent disease as "sanitary dictation";[1] he denounced also municipal ownership of gas and water, the building by the state of houses for the poor, free libraries, free local museums, free education, and generally all that he includes in the expression "coercive philanthropy."[2]

[1] "Principles of Sociology," p. 414.

[2] "Government or Human Evolution," Vol. II, p. 181.

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He assumed that the predatory system which he saw prevailing in the domain of Nature must prevail also in the domain of Man; and thus became an apostle of *laissez faire* and of the competitive system. As such he advocated the utmost limitation of state interference and opposed the Socialistic trend of modern legislation on the ground that man is, as it were, doomed to perfection by the principles of evolution, and that any effort of his to modify evolution can only result in retarding it. He was led by the analogy between society and organism into the theory that human institutions must be allowed to grow as organisms *grow*, and that efforts on the part of man to construct his own institutions produce more evil than good.

Mr. Huxley demolished the whole sociological structure which Herbert Spencer built up on these errors in three essays, to which the reader is referred.[1] The subject is also fully treated in the first volume of "Government or Human Evolution."[2] The effort will be made here to condense the argument and conclusions therein drawn by a short study of environment—natural and human—with a view to demonstrating the control which man has acquired over his environment and thereby over his ultimate destiny. This leads to a study of the effect of the competitive and coöperative systems on type respectively, how far society is a growth and how far a construction, and how far human nature can be modified by the conscious, deliberate purpose of Man; all this to demonstrate that human happiness can be best attained by subsituting cooperation for competition to the extent necessary to put an end to the evils resulting from the competition of to-day,

[1] "Essays on Evolution and Ethics," "Essays on Science and Morals," and "Struggle for Existence in Human Society."

[2] "Government or Human Evolution," Vol. I, p. 239.

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without for that reason eliminating wholesome competition altogether.

There are two kinds of environment: the environment we find in Nature, and the environment made by Man.

We shall study first the environment of Nature, and begin by distinguishing therein two systems: the competitive, or so-called struggle for life; and the coöperative or community system; confining ourselves to facts observed in Nature prior to or outside of the intervention of Man.

§ 1. The Natural Environment

(*a*) *The Struggle for Life, or the Competitive System*

Beasts of the field are necessary products of their environment.

The study of the crust of the earth reveals that upon the central mass there have been laid layer upon layer of sand, clay, and limestone by successive seas, which have successively rested on now buried continents. Nearly every layer contains fragments of shell, scale, or bone belonging to the beasts that have succeeded to one another upon the earth during millions of years.

These layers of sand, clay, and limestone are the leaves of a gigantic book, the earliest of which are burned by fire, the next scarred by it, and the most recent illustrated by pictures so vivid that we can read the story there of the development of Man from the lowest of all forms of life.

The rocks are charts painted by the hand of Nature herself.

In these charts we read the story of Evolution. We learn the geography of the world millions of years before

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the age of history; we know that this land upon which we live has not only once, but often been sunk beneath a deep sea; that during the earliest period of which there is any record unburned, there was no living thing more highly organized than a crab; not a fish nor any animal possessing the backbone that distinguishes the vertebrates to which Man belongs from the invertebrates to which belong the lowest kinds of living thing. We know that later the whole face of the world was changed, and then followed a warm period called Carboniferous, and that just before and during this Carboniferous period there slowly developed fish possessing the backbone that marks one of the great strides in animal development. But at this time we see no trace of the four-footed mammalia which immediately preceded Man.

In the marshes in which forests grew and died during the Carboniferous period, there were piled, one upon another, layers of vegetation that hardened into coal; this coal sank slowly beneath a deepening sea. In this so-called cretaceous sea were deposited, in its deepest parts, huge masses of chalk accumulated from countless shells; and upon its shores crept four-footed things resembling fish, as the seal and the sea-lion resemble them to-day, closely allied to them and clearly developed from them, as if fish stranded upon the shallows had used their fins for motion upon the banks, and out of fins made legs. And from the gigantic lizards of the cretaceous period we find in the overlying tertiary beds the infinite variety of four-legged animals which people our continents to-day.

All this knowledge, full of profound interest to the student of Man, comes from a study of the earth—Geology.

And next comes Zoölogy, telling how this amazing

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development of life from lower to higher forms proceeded. For centuries Man studied the living things on the earth, and added fact to fact till at last, a few years ago, Darwin, Wallace, and others demonstrated the law according to which this development takes place, the law of Evolution.

Briefly it is this:

All living things prior to the advent of Man tended to adapt themselves to their environment by the process known as the survival of the fit. Only those animals fit to survive, survived; all the rest perished. When there was a change of environment, as, for example, of climate, only those individuals survived that were capable of adapting themselves to this change.

The process by which animals adapt themselves to changes of environment is as follows:

There is in every new generation of animals an infinite variety; some differ enough from the rest to be called "sports." These differences are transmitted to future generations by heredity. Men have used these differences to create types of animals suited to their purpose. Thus by putting stallions built for speed to mares similarly built, Man has produced the race-horse. On the contrary, by putting stallions built for drawing loads to mares similarly built, Man has produced the cart-horse.

Before the advent of man this selection of types was made by the environment or by Nature, as the environment used to be called. Hence the expression, natural selection, is used to describe the process by which Nature or environment selects certain types for survival at the expense of the rest; the process by which animals that live in the desert gradually adapt themselves to endure great heat; and those that live near the Poles gradually adapt themselves to endure great cold.

The environment or Nature uses in this process of

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selection a very cruel but effectual device: A great many more living things are born into the world than the world can support. In the lower forms of life Nature is wastefully fertile; thousands of herrings' eggs are laid for one herring that grows to maturity. This amazing fertility of Nature results in a struggle for life which condemns the enormous majority of living things born into the world to an early death, but has the singular advantage of allowing only the types most fitted to the environment to survive. And this process of natural selection acting in an environment favorable to development from a lower to a higher type has gradually caused the lowest forms of life, which consist of a mere sac of so-called protoplasm, to develop organs especially adapted to accomplish specific things: a mouth to take in food; a stomach to digest it; bowels to assimilate it; a system of circulation—arms and legs; a nervous system; a brain; ears; a nose; eyes; until at last, in the order of creation as demonstrated in the great Book of the Rocks, and as confirmed by zoölogy and other sciences, Man has evolved out of the original protoplasmic sac.

Who created the first protoplasmic sac; why this cruel system was invented by which life was ordered to pass through millions of sacrificed and suffering bodies before it could emerge into the least imperfect form; why Man to-day must suffer still in the progress which he is destined to make from his present to a still higher form—these are queries which it is not given us yet to answer. But that this process has taken place at the cost of great agony and during millions of years, is a fact which no man who has studied the face of Nature can deny.

If we want to learn the art of happiness—for in spite of the process just described there is nevertheless an art

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of happiness—we must understand the processes of Nature. It is only by understanding the processes of Nature that we can ever hope to modify them.

And it is here that we come to the first great lesson we have to learn from a study of Evolution:

Man has already modified the processes of Nature in the past, and he can doubtless still further modify them in the time to come.

But before we undertake to study how far Man has modified, and may still modify, the cruel process of natural selection, there is another process observable in Nature to which we must direct our most earnest attention.

It is a common error to suppose that because Man has developed from a lower form of life through a process of struggle for survival that favors a few types at the expense of millions of other forms condemned by this struggle to suffering and death, therefore it is only by this same struggle that Man can hope to attain a higher form of development. This is the error that approves the competitive system and the resulting classification of men into a few rich and many poor. It is because the question as to the merits and demerits of the competitive system rests upon the principles of evolution, that it is indispensable for all who want to understand the competitive system also to understand the principles of evolution. For those who deny the force of competition altogether are as wrong as the millionaires who base their argument in favor of the competitive system upon the law of evolution.

We cannot neglect the argument drawn from the struggle for life involved in natural selection. Until we have shown that there is something better than this struggle that can be put in its place, we have left to the

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millionaires the vantage-ground, from which they can quiet the conscience of the world. Thousands of our fellow-creatures who are separated from us by the accident of wealth would come to our side were they not sincerely convinced that poverty, pauperism, and crime are necessary evils, belonging to the cosmic principles of evolution through which Man has attained his existing dominion, and through which he may hope, though not without infinite patience and agony, ultimately to reach a still higher station.

This error must be removed, and it can only be removed by sober argument. Temper will not do it; nor indignation; nor vituperation; nor hate. The plain facts, if properly marshalled, are sufficient to prove the error of the notion that competition is a necessary evil, and that society cannot exist without unlimited competition, and the poverty, pauperism, and crime that result therefrom. The first of these facts is that by the side of the competitive system just described, there is in Nature also a coöperative system almost as highly developed as the competitive system and destined eventually almost to take its place.

(*b*) *The Coöperative System*

We have seen that the struggle for life has had for effect to permit only those forms of life to survive that adapted themselves to the environment, and that when the environment was favorable to development, this tendency of the fit to survive at the expense of the less fit caused an evolution from lower to higher forms of life. The effect of this tendency in the higher forms of life has been to create two opposite types—the carnivores, who became more skilful in tracking game, and more

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powerful in destroying it; and the herbivores, the natural prey of the carnivores, who became more swift in escaping their pursuers. Now the herbivores, conscious of their weakness, early developed the instinct to herd for the purpose of common defence. The fierce carnivore, on the contrary, is prevented by his natural ferocity from herding. He tends to become solitary. Lions and tigers are solitary animals; whereas sheep, goats, horses, and cattle herd. This tendency to herd tends to develop in proportion as an animal is weak; so that it is in insects that we find the herding instinct most perfectly developed, and certain colonies of ants and bees present a picture of coöperation to which the attention of millionaires cannot be too strenuously directed.

Let it be said at the outset that these colonies are not offered as models for us to imitate. On the contrary there are many features in these colonies which we ought diligently to avoid. But just as there are features in the competitive system that are good and some that are atrociously bad, so there are features in the colony system that are bad and some that are altogether good. It will later on appear that *the essential privilege of Man is to be able to choose the good of both and eschew the bad.*

A beehive is a city of bees built by the entire community for its common use. This community consists for the most part of barren females who do all the hard work, and are therefore commonly called the workers; they build the comb, and add to it as the community enlarges; they attend on the queen bee—the only fertile female allowed to survive; they feed her, and act the part of midwife to her when she lays her eggs; they see to the hatching of the eggs, and by crowding about them provide them with the necessary temperature; when the eggs are hatched, the workers feed the young ones dif-

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ferently so as to produce a few fertile females to play the rôle of queen should the throne become vacant, a large number of males to be utilized when the nuptial hour arrives, and a larger number still of barren females to continue the work of the community; the workers collect honey from the flowers in the summer and store it away for common use during the cold season; they determine which of the fertile females is to be impregnated and become their queen; she is liberated on her wedding-day, and in a summer flight, pursued by the males, conceives. Then she returns to the comb, and is let loose upon the other fertile females in the comb, and watched as she stings her possible rivals to death one by one. Few males return from the nuptial flight; one only of them weds, and he perishes in the act; the others perish without wedding, or if they have strength to return to the comb, are despatched by the workers watching at the entrance to perform the execution.

It is impossible to conceive a more complete system of coöperation or communism than this, or one which so little conforms to our notions of justice or welfare. Indeed, it is probable that from a human point of view the tiger in the jungle attains a greater measure of happiness than any member of a bee community; for the workers seem to labor without reward; of the males only one weds, and he perishes in the act; and the queen herself is kept a close prisoner during her entire existence, save only during the brief ecstasy of the nuptial flight.

The lesson to be learned from insect communities seems then to be, not that coöperation in a natural environment results in the maximum of happiness, but merely that coöperation is as much a part of Nature's plan as competition, and that therefore the coöperative system is as available to man as the competitive. The

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problem before man is how to take the best of both systems, and eliminate the bad.

But there is a further lesson to be drawn from the singular customs that prevail in the hive and in the ants' nest:

In both, the entire energies of all seem concentrated upon two problems—the support of the community, and its perpetuation; and as these two problems are identically the same as those by which men are confronted, the systems adopted to solve them cannot but be of absorbing interest to Man.

Nature or environment follows two diverging lines in animal development. Along one line she seeks the perfection of the individual; along the other the perfection of the community. But the ideal of perfection presented by Nature is not Justice or Morality; it is *perpetuation*, for perpetuation is the prize offered to the most fit types in the struggle for survival. And there are obviously two ways in which types can succeed in this struggle—one by individual excellence, and another by sexual jealousy. And this sexual jealousy must be eliminated from a community if its members are to live in permanent harmony together. The scheme adopted by Nature in the beehive to eliminate sexual jealousy is radical and cruel, but effectual.

Obviously, the community system proceeds with reckless disregard of the individual; the destruction of all the fertile females save the single queen and of all the male sex; the singular fact that the sting cannot be used save at the cost of the life of the individual using it; the enforced chastity of the workers—all prove that Nature's plan for securing the welfare of the community is to sacrifice thereto the happiness and the lives of the individuals that constitute it.

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Obviously, Man must find some better solution of this problem than ants and bees. How Man has at various periods attempted to solve it we shall study later. But before leaving natural environment, we have a lesson to learn from the moral qualities which the two lines of divergence have respectively developed—the qualities of the solitary carnivore and those of the communistic bee.

We may be helped by observing the habits of herding animals that are neither so fierce as the lion nor so servile as the ant. For although it has of late been the fashion to justify our existing capitalistic system by exaggerating the extent to which competition exists in Nature, careful study reveals that though competition does prevail between different species, it is the exception rather than the rule between individuals of the same species. Nature has proceeded along two lines of development: one of mutual struggle, and another of mutual aid. Thus we find even carnivora, such as the hyena and the wolf, herding for the purpose of the chase; even foxes and bears have been seen to herd; eagles, kites, and pelicans notoriously associate to this end. Practically all herbivora herd more or less permanently, the permanence of the herd depending apparently upon the mildness or the ferocity of the sexual instinct. In the case of the elk, the stag, the bull, and the horse, that fight for the female, and prevent the weak from perpetuating the race, the herd breaks up into groups during the rutting season; whereas, in the case of apes and monkeys that herd, the herd remains permanent.

Too little is known about the sexual relations of such animals as herd permanently for any certain conclusions to be drawn from them, but it can be said without fear of contradiction that Nature has succeeded best through the combination of strength, selfishness, and ferocity on

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the one hand, and that of intelligence, altruism,[1] and servility on the other; for it is the lion and the tiger that dominate the jungles of Asia; in Africa and South America it is the white ant.

These considerations lead us to conclusions of great importance, for they enable us to trace the development of certain habits or instincts, which, when we find them developed in Man, become lifted into virtues or vices according to their nature and intensity. Thus solitude imposes upon solitary animals habits of selfishness and self-reliance; the tiger has no one to look to but himself for the satisfaction of the two great animal needs—food and self-perpetuation; he is the Ishmaelite of the animal kingdom; his hand is against everyone and everyone's hand is against him. Whereas, community life imposes upon the ant habits of docility and altruism; she works not for herself, but for her neighbors; she is a natural slave, but a slave to a useful end—the common weal of all.

To sum up: Natural environment has operated on animal life through the principle of evolution or survival of the fittest in such a manner as to develop physical organs and instinctive habits, both of which seem to be necessary results. These physical organs and instinctive habits depend for their nature and excellence upon two parallel systems:

According to one, the struggle for life has taken place

[1] The word "altruism" is used instead of the more familiar word "unselfishness" to avoid the criticism of those who contend that there is no such thing as unselfishness. It is true that we are all selfish in the sense that we are all seeking happiness for ourselves; but selfishness can be defined as the search for happiness regardless of the happiness of others, and altruism as the search for happiness through the happiness of others.

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not only between one species and another, but also between individuals of the same species; this has resulted in individual excellence, as in the case of the lion and the tiger; and has developed habits of selfishness, self-reliance and ferocity. According to the other, the struggle for life has taken place mainly between one group and another, and hardly at all between individuals of the same group, but both the lives and the happiness of the individual are recklessly sacrificed to it; this has resulted in collective excellence at the expense of the individual; and has developed habits of docility and altruism.

In the former, or competitive system, there is the greatest individual freedom of action and the greatest individual satisfaction of animal propensities, but there is the greatest individual risk, the few survive at the expense of the many, and there is little or no social satisfaction.

In the latter, or coöperative system, there is less individual freedom, less satisfaction of animal propensities (indeed, sexual appetite is left unsatisfied for all except one individual of each sex, and at the expense of personal liberty for the female and for the male of life itself), but there is least individual risk for the workers, and most social satisfaction.

Intermediate systems partake of both the competitive and coöperative plan, none of the intermediate systems, however, leading to supremacy, and some of them resulting in degeneracy.

Such are the results of the unconscious action of natural environment on living things.

We are now in a position to study the actual and possible results of the conscious action of an artificial environment on Man.

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§ 2. Human Environment

Before studying the possible effects upon Man of an artificial environment, consciously and deliberately created by him with the definite purpose of attaining the maximum of human perfection and happiness, we must be clear as to the actual effects upon man of the artificial environment in which he finds himself. And first we must give its full value to the fact that the environment in which we live is in great part artificial, that it is the product not of Nature only, but also of Art.

We have seen that the lower animals, prior to the advent of Man, were the necessary product of the natural environment. We have now to study how Man has modified the face of the world, as regards them and himself, by the application thereto of Art.

The most obvious and striking change effected by Art on human life is in relation to climate.

There is geologic evidence that the forefathers of Man in what is called the Miocene Period, while not so intellectual as Man, were of a far higher type than any living ape; the head, for example, indicates a superior structure.[1] Now, the Miocene Period was exceptionally warm. The bones of the so-called troglodytes are found in the caves of the Dordogne with other vegetable and animal remains that indicate a tropical temperature. This was followed by the glacial epoch, which substituted for tropical conditions those now existing in the Arctic zone. The troglodyte had to choose between the alternatives; he had to flee to the tropics before the cold wave from the North, or to resist the cold by recourse to Art.

[1] Lyell, Sir Charles, "Principles of Geology," 1872, Vol. I, Chapter X, p. 201.

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It is probable that he did both; some did the one, and the rest the other; some fled to the tropics and degenerated there into the existing anthropoid apes; the rest invented weapons with which to slay fur-bearing animals, to strip them of their skins, and convert the skins into clothing; used the shelter furnished by natural caves, and eventually discovered the way to produce a flame. This last Promethean gift was probably the first of the great human inventions. When Man discovered how to produce and utilize fire he became superior to climate.

This discovery produced an amazing consequence; for it seems certain that our race made its first strides towards civilization in tropical countries; but that progress in the Arts, by enabling Man to inhabit colder and more bracing climates, permitted an increase in his power to resist not only climate, but all the other natural conditions hostile to his improvement; and so we find the Northern races gradually subduing those of the South, and demonstrating the great rule *that man's progress is secured, not by yielding to natural environment, but by resisting it.*

The key to human progress in the past, and the probable key to human progress in the future, is the faculty of Man to resist Nature; and this faculty is twofold. Intelligence is the more obvious of the two elements. But intelligence is not sufficient of itself. Intelligence must be coupled with the power of self-restraint. For although intelligence is the light which can guide men toward perfection, it is useless unless accompanied by the willingness and power to follow the light.

What avails it to the millionaire to know that he can by the intelligent use of his millions alleviate the misery of the poor, if he lacks the willingness and power to apply this knowledge?

What avails it to us to know that by substituting co-

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operation for competition in the production of the necessaries of life, poverty can be annihilated, if we have not the willingness and the power to effect the substitution?

What avails it to a drunkard to know that drink is the cause of his misery, if he has not the power to refuse it?

In man's struggle with climate, intelligence seems to play the principal rôle, but there is also a spirit of resistance, in strong contrast with submission that characterizes the lower animals. In other arenas the power of self-control plays a still more conspicuous part. There is probably no institution in which man differs more from the lower animals than in that of marriage; and none more characterized by self-control. If we compare the promiscuous intercourse that prevails between the sexes in troops of apes, with the fidelity that characterizes the highest types of marriage in our most highly civilized communities, we cannot but be struck, not only with the enormous gap between the two, but with the dominant rôle played in development from the lower to the higher type by the power of self-control. The passionate propensity that condemns the fiercer carnivora to solitude, and reduces even the docile bee to a wholesale massacre of one of the two sexes, has been so controlled in our civilization that we find men and women not only living in the closest proximity without violating the marriage vow, but even consecrating themselves to life-long chastity out of respect for a religious scruple.

Man has attained this result through the training of children by parents in the family, of youth by masters in schools, and of adults each by himself in the world at large.

Perhaps the most precious result of the institution of

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marriage is the education furnished by the family which results from marriage. In Greek life this education was the kernel of Greek religion. Every family worshipped its own gods, and these gods were the shades of its ancestors. Almost every duty in life resolved itself into a duty to these shades; the duty to marry was but to ensure offspring who would continue to minister to the deceased; the duty of chastity, and indeed of morality in general, resolved itself into a duty to keep inviolable the sacred flame upon the hearth.

The two virtues peculiarly stimulated by Greek religion were courage in man and chastity in woman; these singularly correspond to the qualities that characterize solitary carnivora—ferocity in the male and compulsory fidelity in the female. They are the virtues that attend individualism, and individualism so impregnated Greek civilization that it prevented the Greek cities from ever combining into a Greek nation, and ultimately left them a prey to the invader. And those two individualistic virtues—courage and chastity—became still more emphasized under the Roman rule in the soldier and the vestal.

Christianity introduced a new element into civilized life; Christ deprecated exhibitions of courage by inculcating humility; He tempered the fierce demand for fidelity by bidding "him who was without sin cast the first stone at her." The virtue He taught above all was the virtue of Love; not love in the sense of natural affection, but love in the sense of sacrifice; not love confined to the family, but love extended from the family to the neighbor: "Love your neighbor as yourself." And so under the dispensation of Christ all men, being the children of a common Father, became as brothers one to another; the early Christians carrying out this theory

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into practical life, abandoned the acquisition of private wealth and brought all their earnings into a common stock, giving to everyone according to his need.

Unfortunately, the prosperity of the Church under Constantine converted it into a political machine as unconscionable in its methods, and as effectual in results, as the so-called rings which govern many cities to-day. The Church forgot the virtues which it was instituted to teach; and our Western civilization has ever since been distracting us by encouraging the fighting virtues of the Roman soldier on the one hand, and the altogether inconsistent humility of the Christian saint on the other.

But men and women cannot live close to one another for centuries, without having social virtues forced upon them; and while the competitive system which prevails in our industrial and international relations has stimulated the fighting qualities in us, the teaching of Christ has preserved in our hearts ideas of happiness which have more or less unconsciously created a tendency to replace competition by coöperation wherever possible.

The joint effect of Roman and Christian rules of conduct has been to substitute for the qualities that we observe in Nature—the lust and ferocity of the carnivore and the servility of the ant—new qualities altogether different, and in some respects almost opposite. For lust has been replaced by a conception of the conjugal relation which converts marriage into a sacrament; ferocity has yielded to the courage of the medieval knight and the modern gentleman; servility tends to disappear and be replaced by respect for laws; and fear has been lifted by religion into reverence—"The fear of God is the beginning of wisdom."

The fact that these virtues are held up to us as desirable and that we are trained to conform thereto, is of dominat-

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ing importance in considering the character of human environment; and were there nothing in human institutions to render the universal practice of these virtues impossible, we should assuredly enjoy the happiness that must result therefrom.

Unfortunately there are two reasons why we cannot practice these virtues though we would:

We are divided into nations, each striving against all the rest to secure for its citizens the largest possible share of the good things of this world. Every nation is composed of individuals or families, each engaged in a similar strife.

The first, the international conflict, gives rise to a peculiar virtue called patriotism, which, in so far as it teaches a man to love the country to which he belongs, and the people amongst whom he lives, is altogether good, but in so far as it teaches him to hate and occasionally slay those of other nations is altogether bad.

The second, the intranational conflict, gives rise to a quality which, though not recognized as a virtue, should, if measured by the rewards it receives, be assuredly regarded as the greatest of all—acquisitiveness; for the fortunate few who possess this quality gather unto themselves all the good things in the world at the expense of all the rest.

Let us briefly study each of these formidable obstacles to virtue and happiness:

As regards the international conflict, the world is so large, and is peopled by races of men so different, that it would be quite impossible to include them all under the same government. The Red Indian is incapable of adopting our civilization; he would rather die. The Chinese has a conception of government so different from ours that he has no word in his language for patri-

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otism. The Oriental, who has occupied the Danubian provinces for five centuries, is still so foreign to us that he cannot live amongst Christians except either as a conqueror in Turkey or a subject in Hindoostan.

So long as these differences exist, there must be separate nations; and the smoke of international conflict must occasionally burst into a flame.

Nevertheless, even to-day human effort can do much to diminish occasions for war; witness the Tribunal of The Hague and the daily multiplying treaties of arbitration; witness, too, the gradual extension of solidarity between workingmen beyond national frontiers and the growing disposition to organize regardless of them.

As regards the intranational conflict—between individuals belonging to the same country—there is much more to be said, for although the total elimination of occasions of conflict between citizens of the same nation may still be far off, there is serious reason to believe that a partial elimination of them is immediately possible, and may constitute the most practical of all political programs, and the most vital of all religious faiths. Indeed, a thorough understanding of the problem presented by this intranational conflict is so indispensable to its prosperous solution, that upon this understanding may be said to depend the question whether our civilization is to degenerate.

The intranational conflict is mainly concerned with the acquisition of wealth; and because this conflict has so far inordinately enriched a few and impoverished the mass, it is the fashion for us to rail against wealth.

But wealth is the necessary product of civilization, and like manure, it is a benefaction when lightly distributed over the right place, though a pest when heavily concentrated in the wrong. The wealthier a community is

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the happier it ought to be. It is not wealth itself which constitutes our grievance, but the method of its distribution.

Now the unequal distribution of wealth is mainly due to the system of private property under which the few who have the gift of money-making acquire large fortunes, while the many are left in comparative poverty and even want.

Under this system, every man, instead of working for all, is working only for himself, and he who has most acquisitiveness becomes master of those who have less, society being by this single quality divided into a series of classes or castes, at the top of which are a few millionaires, and at the bottom the large contingent that after a life of misery end their lives in the almshouse, the prison, or the lunatic asylum—a contingent that has been determined by carefully prepared statistics to constitute one-fifth of the entire population in the richest country in the world.[1]

Private property has played an essential rôle in the slow enfranchisement of the people. But just as the cocoon serves an essential purpose in protecting the worm during its slow development, but becomes a prison which the butterfly discards when it attains its final freedom, so private property may turn out to have already served its purpose if we can demonstrate ourselves so far developed as to be fit to cast it aside.

Let us recall what rôle private property plays in our human environment to-day:

It is the great stimulus which sets each one of us to work for himself, and by working for himself to accumu-

[1] This conclusion is arrived at by Charles Booth in a statistical work which commands the approval of all authorities of whatever shade of political opinion.

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late wealth that contributes to the maintenance of all the rest. It furnishes (in theory) a method under which the man who works most effectually gets the highest reward.

Now, as it is essential in every community that every man should contribute to the maintenance of all, and as justice seems to demand that the workers should be rewarded according to results, it is claimed that private property solves the problem of production in a manner both effectual and just.

The competitive system, however, and the false notion of property to which the competitive system gives rise by setting every man to work for himself regardless of all the rest, prevents men from proceeding upon the far more economical plan of coöperation.

§ 3. The Effect of the Competitive System on Type

We have seen that under the law of evolution type tends to adapt itself to environment. It must so adapt itself or perish. There is no escape from this iron law. If the climate change from warm to cold, animals must put on blubber or fur; if the climate change from cold to hot, they must throw off blubber or fur. Those who adapt themselves to the change survive; those who do not adapt themselves die.

So also, if in a given community the individual can secure the necessaries of life only on the condition of outdoing his neighbor, it is those who most successfully outdo their neighbors who prevail; those who are outdone sink deeper and deeper into poverty and ultimately join the irreclaimable fifth.

The effect, then, of the competitive system on type is to stimulate the qualities that go to make up acquisi-

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tiveness; selfishness and all the necessary results of selfishness—avarice, greed, envy, injustice, hardness of heart.

It would be by no means fair to maintain that no man can be successful in business who is not cursed with all these vices. On the contrary, some of our greatest philanthropists have been successful business men. But philanthropy sometimes results from the blessed principle of reaction, under which vice, when it gets bad enough, creates a revulsion against evil. Reaction, however, is the eddy in the stream; and it is the stream and not the eddy that in the end counts.

The main, the essential, the inevitable result of private property is to promote selfishness, for the competitive system creates an artificial environment to which the human type must tend to conform. This artificial environment not only promotes selfishness at large, but tends to degrade every institution which man has invented in his effort to advance. Among these institutions, the two which have sprung from the noblest instincts in man, and ought most to tend to his improvement, are Marriage and the Church. Yet both are demoralized by the competitive system.

In the state of nature, animals tend to improve through sexual selection. By sexual selection is meant the fight between males for the female, the result of which is that the strongest males are the ones that perpetuate the type.

In the artificial environment produced by private property, a very different process is at work. Marriage tends to be determined by wealth rather than fitness; and the wealthy tend to have few children or none; whereas it is found that in the unwealthy classes, the poorest have the most children. Well-to-do people

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protect themselves and their families from poverty by prudence, whereas, those who despair of escaping from poverty have no reason for refusing themselves what is often almost their only satisfaction; and the result is that while the houses of the rich tend to be desolate through childlessness, those of the poor are crowded with the offspring of despair.

The religious conception of Marriage that it is a sacrament has become practically obsolete; particularly in this so among the rich, whose daughters are annually offered for sale in the market of Mayfair as shamelessly as not long ago were Circassian girls in that of Istamboul.

The effect of private property on the Church is no less deplorable. It costs money to maintain a church; and the more splendidly a church is maintained the more money it costs. The priest has to live; bishops indeed have to live in a certain state. The Church, then, must have money. In some countries the Church secures money from the government, and is driven thereby into the questionable field of politics; in others, every individual church is thrown upon its own resources, and has either to make its services attractive by ritual, or to depend for its supplies upon one or two of the wealthy members of its congregation. It is not surprising, then, that under this subjection to wealth, Christians have abandoned the teaching of Christ, and forgotten that in early days they sold all and gave to the poor, contributed their earnings to a common stock, and resisted not evil but overcame evil with good.

Yet the Church has rendered, and is still rendering, a priceless service to man. Falter though she may, she has preserved for us the Gospel of Christ.

The blame rests not with the Church, but with the artificial environment which man has himself created,

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and to which he alone can put an end—the environment that appeals to the selfishness of man, and having made man selfish, insolently asserts that in no other environment can he be otherwise.

Man will be what his environment makes him.

If the environment stimulates selfishness, man will be selfish. If it stimulates unselfishness, he will be unselfish.

But man can by art so alter his environment that it will elicit the noble in man, instead of the base.

Let us now sum up the difference between human and natural evolution, and arrive at some conclusion regarding the part man has played, and may still play, in his own advancement.

§ 4. Brief Restatement

Before the advent of man animal life prospered or degenerated according as the natural environment was favorable to progress or degeneration. The process of evolution was necessarily unconscious and undeliberate.

With the advent of man a new force appeared upon the face of the world, the power to modify the environment so as to make it serve human needs, and accord with human intention.

Before the advent of man, selection was exercised by Nature or the natural environment; since the advent of man it is man who has selected and not Nature; animals dangerous and useless to man have almost disappeared except in museums; and only those that are useful to him are allowed to survive.

Climate is no longer paramount; man by the use of tools, clothing, architecture, and other arts, contrives to-day to live in climates which were once fatal to him.

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By increase of knowledge man has acquired a control of the forces of Nature, which makes him now a master where he was once a slave.

By increase of self-restraint—and self-restraint involves the subjection of natural instincts—man has developed qualities which permit of social existence unknown in any other race.

Without having lost the self-reliance that characterizes the solitary carnivora, he has, by resisting Nature—by such artificial institutions as that of marriage, and the education which results from family relations—developed all the social virtues. Ferocity has been tempered; lust has been reduced to subjection; in the place of the one we now see courage; in the place of the other chastity; craft is growing into wisdom; fear into reverence. He has substituted for the standard of Nature the standard of Morality, and the substitution of the standard of Morality for the standard of Nature has permitted men and women to live in the same community safe from the ferocity that drives the larger carnivora to solitude, and from the massacre and mutilation which characterize such natural communities as those of bees.

When from this point of view we compare man with the lower animals, so immense is his progress that we are tempted to believe perfection within the reach of his attainment.

Two things, however, suffice to keep alive evil in man:

While at almost every point he has so moulded his own environment as to eliminate the vices that characterize the rest of the animal kingdom, in two respects the predatory system still prevails:

The international conflict keeps nations in perpetual competition with one another, and this periodically forces them to war; and the intranational conflict keeps

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individuals in perpetual conflict with one another, and stimulates all the vices which most interfere with human happiness.

The international conflict seems doomed to continue so long as man remains separated by racial antipathies and commercial interests. Efforts are being made to diminish occasions for war to the utmost possible, by bringing all races to recognize and aim at the same social ideal. But there would still remain ample occasion for war so long as men are kept in competition by conflicting commercial interests. The task first in importance and time, therefore, seems to be to eliminate as much as is advisable the commercial and industrial conflict, which has been already pointed out to be the great intranational obstacle to human perfection and happiness.

Now the intranational conflict has been seen to result from our industrial system. This, as at present organized, is an artificial creation of man; indispensable though it may have been to the gradual evolution of the race, it has always acted, and must always act to keep alive in man the very quality—selfishness—the elimination of which is most essential to the happiness of a community, and the absence of which particularly characterizes natural communities such as those ants and bees.

While, then, man has resisted and in great part subdued Nature in the physical world by science, and in a world which he has himself created—the moral world—by self-straint, he has added to this artificial environment two institutions which tend to counterbalance the advantages already secured. These are national governments that create international conflict, and an industrial system that creates intranational conflict; and we are confronted with the problem whether these two hothouses of crime, hatred, selfishness and vice, can be dispensed with.

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Science affords us the encouraging hope that they can. It points out that man has already suppressed many of the most merciless effects of the natural environment; that by virtue of the power through which he can in great part create and certainly modify his own environment, he may still further push on the work of civilization if he will but recognize that the real enemy to human happiness is hatred and the real friend to it solidarity; and if he will return to the Gospel of Christ, which economic conditions have so far compelled him to disregard.

Before closing the study of evolution it is proper to point out that we are now in a position to dispose of the contention that, because natural evolution proceeds upon the principle of the survival of the fittest, therefore human evolution must proceed upon the same lines. This is the argument that millionaires and individualists set up against those who believe in the possibility of diminishing human misery by reducing the occasions for human conflict.

It is totally false.

Man has demonstrated his ability to resist Nature and to progress along lines that are diametrically opposed to those of natural evolution. The whole fabric of human civilization is an answer to the millionaire's argument. The natural principle of the survival of the fittest is no longer at work. Man has put an end to it. The lion and the tiger no longer reign in the jungle nor the white ant in the Pampas. Man, alone, determines which animals shall live and which shall disappear. The weak in our own race no longer perish; mercy comes to their rescue. The strong are no longer the only ones to perpetuate the type; marriage protects the weak husband in his marital rights as well as the strong. Climate no longer determines survival; man has made himself master of

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climate, and indeed works most effectually to-day in latitudes which at an earlier stage were peopled only by savages.

At every point where man touches Nature he has reversed the natural process.

The unfit no longer perish, the fit no longer alone survive. Man is no longer the necessary result of the natural environment: *he makes his own environment*; and if he be wise enough he can so modify it as to modify himself with it. When, if ever, he so modifies it as to eliminate those elements in it which stimulate vice, then he will have realized the word of the Gospel, "Ye are Gods."

§ 5. Can Human Nature Be Changed by Law?

It is currently urged and has become a sort of maxim that human nature cannot be changed by law. Not only is this quoted by the bourgeois in his argument against the Socialist, but even Henry George has fallen into this error. Indeed, it is this error that prevented Henry George from adopting Socialism and left him the distinguished founder of an inadequate philosophy. For the most superficial knowledge of history will suffice to demonstrate its untruth. Human nature has already been profoundly changed by law; by the institution of marriage, by education, by property. This has already been sufficiently discussed to make it unnecessary further to comment on it.[1] It does not, however, seem sufficient to point out the profound modification of human nature by law in the past in order to persuade the bourgeois that humanity can still further be modified by law in the future; for a thousand instances can be quoted of efforts

[1] Book III, Chapter V.

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to change human nature by law that have failed, and it is argued very illogically that because in many instances they have failed, they must always fail. Then, too, there remains in the minds of all influenced by Herbert Spencer, the profound error that society is an organism and must be allowed to grow; whereas on the contrary, a very little study demonstrates that society differs from an organism in essential points.[1]

No society can exist without some law of association. The law may be a natural one, as in the case of myxomycetes; or it may be an artificial one, as in the case of the United States constitution; or it may be both, as indeed is the case in every human society.

This law of association is called "government." Strictly speaking, in a political sense government means only that law of association which is promulgated and enforced by the supreme power of the state; but human society is controlled by a double system of laws—one written, whether in judicial decisions or in express statute, and the other not written, because it resides in the mass of the citizens under conditions which baffle description. This last is imperfectly rendered in the English word "custom," is more definitely expressed in the French word *moeurs*, and is admirably conveyed by Horace in the words

> Quid leges sine moribus
> Vanae proficiunt?

The essential characteristic of custom is that, however controlling it may be in fact, it does not enjoy the sanction of legislative enactment or executive decree; indeed, it often arises out of opposition to law; as where in the Western states game laws remain unenforced, because

[1] "Introduction to the Study of Sociology." Herbert Spencer, Chapter III.

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public opinion supports the ranchman's defence of necessity; and sometimes again where, though a law be in itself proper, a community declines to avail itself of the law, as in the custom that discredited divorce in the early Roman Republic.

Now, the importance of this moral or sometimes immoral sense that makes custom independently of law, must not be underestimated—for it is in many respects superior to law for evil or for good; and it differs from law in the essential fact that it grows almost imperceptibly, whereas law, in the strict sense of the word, is the result of judicial decision or legislative enactment—both acts of deliberation—or so purporting to be. The question naturally arises then whether, in so far as society develops along the line of custom, it does not follow the process of growth rather than that of construction.

It is impossible to deny that custom and public opinion are in a continual state of change; the varying fortunes of political parties sufficiently testify to this; but how far these variations are in civilized communities due to unconscious growth and how far to conscious effort it is not easy to determine. Suffice it to point out that, while opposing forces such as egotism and philanthropy, do continually tend to mould opinion under conditions that baffle inquiry, there are conscious forces at work which are quite as powerful and could be made more so. Chief amongst these is education; and in the word "education" are included not our schools and universities alone, but all the educating influences of the day—the press, the stage, music, literature, and art. That all these are engaged in moulding public opinion—some in bringing popular government into contempt, some in relaxing public morals, some in holding up low ideals, some in indulging luxurious tastes, while they could be

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doing just the opposite of all these things—there is no doubt.

The existence of these things is mentioned here because failure to mention them would have left the discussion incomplete. Enough has been said to indicate that there are great forces at work in society which to-day escape the control of government, and that it is not easy to say how far they operate after the haphazard fashion of Nature and how far subject to the deliberate purpose of man. Whatever be the conclusion, it is certain that so far as they are left to Nature's guidance they will result in Nature's handiwork; whereas so far as they are controlled by human wisdom they will bear the fruits of that wisdom.

In conclusion, therefore, associations of individuals are characterized in primitive forms of life by unconsciousness; but as the individuals develop, these associations seem to become deliberate rather than unconscious, until in man they not only seem deliberate but are so.

The history of human society shows that when it has been allowed to grow unconsciously the development has been in the same direction as under the predatory system of Nature; that is to say, institutions have been moulded to benefit individuals presenting the combination of strength and craft best fitted to survive in the artificial environment which the strong and crafty created to that end. When conditions produced by this system of growth under the spur of egotism were replaced by one of construction under the guidance of wisdom, there was progress.

Society is controlled by two forces: one which it consciously set up for itself, called "government"; one which is unconsciously operating through the silent struggle of natural and non-natural motives in the individual lives

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of every one of us. The latter to a great extent escapes the control of government; but in so far as society does consciously create its own institutions, it ought to be engaged in the process of construction and in the conscious effort towards self-improvement. To this extent society is not an organism, and *à fortiori* government is not an organism either.

Society, then, is not an organism.

It differs from an organism in the following essential particulars:

The units of an organism have no individual existence; they are parts essential to the whole and exist for the sake of the whole.

The units of a society have an individual existence; and, in the case of human society, do not exist for the sake of the society, but society for the sake of the individual.

Not only have the units of a society each an individual existence, but they have each an individual will, an independent consciousness, and, all except Materialists will add, an individual soul. The units of an organism are conspicuously without any of these essential attributes.

But society, though not itself an organism, is an association of organisms. And although human society seems to resemble a machine more than an organism, the legislator cannot for a moment afford to forget that the parts of his machine are not inanimate inorganic matter, but organic living beings, endowed with the faculties of consciousness and will—and above all alive to pleasure and sensitive to pain. Nor can he afford to forget that the efficacy of all laws depends ultimately upon the consent of those upon whom they are to operate; and that therefore no law can be effectual that is not supported

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by public opinion. Now, public opinion is the result of all the forces acting in the social field, unconscious as well as conscious; so that while the aim of the legislator should be to replace unconscious growth so far as is possible by conscious construction, he commits a fatal error if he fails to recognize that men and women are to-day actuated as to nine-tenths of their thoughts and deeds by habit, and many—perhaps the majority of them—incapable of conscious deliberate self-restraint at all. Legislation therefore that seeks suddenly to exact of the public a greater capacity for self-restraint than it is capable of, cannot but prove ineffectual; and ineffectual legislation is bad, because it tends to bring legislation into contempt. Prohibition furnishes a good illustration of this principle: in those States in which Prohibition is supported by public opinion it operates advantageously; where it is not so supported it operates only as an instrument of blackmail. Obviously Prohibition has diminished crime and improved social conditions in some States, whereas every attempt to force it or anything approaching to it upon the city of New York has resulted in the corruption of the police engaged in enforcing it, or in prompt punishment for the political party responsible for its enactment. The helplessness of mere laws to eradicate defects of temperament is one of the facts which tend to support the theory of *laissez faire;* but the argument that because under certain conditions legislation is inadequate, therefore legislation is always inadequate, is too obviously illogical to need refutation. It could hardly have received a moment's consideration had it not been bolstered by pseudo-scientific conclusions drawn from an alleged identity between society and organisms. But even if society were an organism, this argument would still be incorrect; just as incorrect as though it were

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contended that because under certain conditions medicine is inadequate, medicines must always be avoided. Were society as subtle and difficult to treat as the human bodies of which it is composed, it would still be the duty of the legislator to study the one, just as the physician studies the other, with a view to determining the limits as well as the extent of his resources.

But society is not an organism; on the contrary, the more human and civilized it is, the less it conforms to unconscious growth and the more it yields to intelligent purpose. That it is composed of organisms, however, sets a limit to the wisdom of interference which it is of paramount importance that we should carefully define.

These limits seem roughly to be marked out by two essential factors: one is the purpose of legislation—or justice, the other is the obstacles to legislation—or national character. Government in aiming at justice has to recognize defects of character. The justice which can be attained in one community could not be attempted in another; that which could be attained in one community in one stage of its development, it would have been folly to attempt at an earlier one. The approach to perfection in social conditions depends essentially upon the approach to perfection attained by the individuals of which the society is composed.

How nearly a government can attain perfection depends, then, upon the individual character of those subject to it; and how nearly the individual character can attain perfection depends to a great extent upon the government to which it is subjected. These two factors cannot be treated apart; one is a function of the other. Just as a physician has in treating a patient to consider the hygienic conditions which surround him, and the peculiarities of constitution which may make a sudden

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change of these conditions injurious, so a legislator in framing laws for a community and thus changing the conditions of its environment, has to consider the temperament of the community and its fitness to undergo the proposed change. This is one of the limits that Nature puts to legislation, and it is upon a just apprehension of it that the wisdom of legislation depends.

Although the extent to which legislation can modify nature depends largely upon the individuals who compose the community, there are, nevertheless, certain rules that can be laid down applicable by and large, to the whole community.

When a trainer desires to subdue a wild beast, the first thing he does is to diminish his rations. So long as the carnivorous passions of the lion are kept whetted all attempt to control him fails. Or to use a more homely illustration, when we want to break a high-spirited colt, his supply of oats is lowered. To give such an animal an unlimited amount of oats and then to seek to control him with a powerful harness would be a mistake. If the the harness left him free to move at all, he would kick the harness to pieces. Every trainer knows that if a horse is refractory, the first thing to be done to give him habits of docility is to reduce his rations of grain and to feed him on a less stimulating diet.

This simple and universally admitted principle is, however, singularly neglected in our social and political institutions. These proceed upon the opposite plan; that is to say, they whet the appetite of man to the utmost by offering the largest rewards to the most crafty, the most greedy, the most dishonest, and the most merciless of men, and then legislatures, for the most part elected by these very men, are expected to control their craft, greed, dishonesty, and mercilessness.

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Thus while the competitive system, by making money the main object of human existence, drives men to gambling and crime, we maintain an elaborate system of police courts, penitentiaries, and prisons for suppressing these things, although the experience of all recorded history demonstrates that these methods are totally ineffectual. By overworking our wage-earners, we give them an insatiable thirst for drink; we entrust the sale of liquor to private individuals; we give these last the keenest motive for forcing the sale of liquor on a community alas, too eager to buy it, and then we attempt by the license system to control drunkenness. We leave our currency, which is the lifeblood of our industrial system, in the hands of men entitled under our law to consider this currency a mere method of increasing their private wealth; we offer to these men monopolies of transportation, of water, of gas, from which they can make gigantic fortunes and through which they can control our politics, and then we expect the very legislatures they control, the very legislators they elect, and the very officers they appoint, to control them. Obviously, if we begin by putting our legislature into the hands of the men whose interest it is to use that legislature to exploit us, we ought not to be surprised if the laws enacted by these legislatures fail to "change human nature."

If, however, these appetites were never awakened, or if they were only sufficiently tolerated to produce healthy activity; if the "brotherhood of man" ceased to be a formula and became a fact; if men were educated from the cradle to believe that coöperation resulted in more economy, liberty, and happiness than competition; if coöperative habits were created so that men instinctively coöperated with one another instead of fighting with one another, can it be doubted that the laws enacted to pro-

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duce this change in our human conditions would have a profound effect upon human nature?

The natural environment has produced the lion, the tiger, and the ape. The artificial or human environment has produced man. But man is still a competitive animal. The next step that we have to take is still further so to modify our artificial environment as to make him a coöperative animal; to suppress the excessive competition that to-day promotes hatred, leaving enough to spur activity; to introduce enough coöperation to create habits of mutual helpfulness, yet not so much as to suppress individual initiative.

This effort does not involve any sudden revolution in our development; it is only an intelligent continuation of the process already begun. We have diminished the ferocity of the carnivora in men; we have still further to diminish it without impairing courage. If we keep in mind that the object of political effort should be to diminish unhappiness and increase happiness, we shall conclude that this can best be done by continuing to develop along this line; by eliminating the eagerness created by the competitive system that makes success indispensable, not only to luxury and comfort, but to health and life; and that by modifying our institutions in the direction indicated in the foregoing pages, we shall not only secure a larger measure of happiness, but we shall so modify type as to change habits and change ideals.

In a word, Science teaches us that we are and must be creatures of our own environment. History teaches us that we have moulded and can mould our own environment. By this inestimable power, man can determine the development of the human type. By maintaining existing conditions, we shall continue to produce

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the type of grasping millionaires that the community at large in its heart abhors. Whereas, by modifying the environment by the substitution of coöperation for competition in the measure above described, we shall create a type that humanity has set up in all its poetry, music, and art, as the type to be desired, respected, and loved.

§ 6. Summary

In conclusion let us briefly summarize the scientific argument for Socialism free from the explanations with which in a first presentation of this subject it was necessary to encumber the text.

Evolution prior to the advent of man was an unconscious and therefore indeliberate adaptation of function to environment through the survival of the fittest and the corresponding destruction of the less fit. Herbert Spencer and his school have been misled by this fact into a glorification of the competitive system which seemed to them the most conspicuous factor in the improvement of type. This school altogether fails to take account of two facts of the utmost importance:

Development under purely natural conditions—prior to the advent of man—by no means proceeded alone along competitive lines. It also proceeded along cooperative lines, so that while the lion, the tiger, and the ape are the prevailing types in certain regions, in others the prevailing type is the white ant.

The other equally important fact is that whereas evolution under purely natural conditions—before the advent of man—was unconscious, indeliberate, and merciless, since the advent of man it has become conscious, deliberate, and merciful, to such an extent that in almost

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every essential particular, development has reversed the process that preceded the advent of man. Before the advent of man, animals were not only the victims of the forces of nature, but also their necessary result. Only those animals survived that were able to adapt themselves to changes of environment. The rest perished. And they adapted themselves to changes of environment mainly by developing new organs to that end. For example, the camel develops pads under its feet to protect them from the burning sands, and a reservoir in its alimentary canal to furnish water during its wanderings in the desert; the hairless hide of the tropical elephant becomes covered with thick curly wool when found in the Arctic zone.

When, however, man appears upon the face of the earth, all this order changes. The survival of animals in the world is no longer determined by changes of climate or changes of environment; the survival of the fittest is no longer determined by Nature. It is determined by Art—by Man. The animals beneficial to man survive; the animals detrimental to man perish. Again, man is no longer the victim of the forces of Nature; he has become in great part master of them. The flame that raged uncontrollably over the forest and plain, man now puts under his kettle to make his tea; the torrent that devastated the valleys, man now dikes and distributes in irrigating ditches, transforming deserts into green fields. The fitful flash of the lightning in the heavens man conducts along a little wire and converts into the steady glow of the incandescent lamp. Nor does man any longer adapt function to environment. The Esquimau of the Arctic regions has not developed a thick curly fur; he has clothed himself in the furs of other animals; the Arab of the desert has not developed pads under his

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feet or a reservoir in his alimentary canal; he rides and loads water on the back of the camel already so provided. Man is no longer the necessary result of natural environment; he makes his own environment. Wherever he goes, he makes a climate of his own. In the tropics, he builds houses to protect himself from the heat, and creates an artificial cold by punkahs, electric fans, and the manufacture of ice. In winter, he creates another climate by building houses to protect himself from the cold, heating them with a furnace and lighting them with gas and electricity. Most important of all, by the control of man over environment, he can determine not only his own destiny, but also the destiny of generations to come. He can by preserving the competitive conditions that exist, go on developing the base type that is now the necessary result of these conditions—the type that seeks happiness regardless of the happiness of others, such as our oil kings and railroad kings, steel kings and other so-called captains of industry. By substituting coöperation for competition, he can, on the contrary, develop a noble type that seeks happiness through the happiness of others, such as the settlement worker and the Little Sister of the Poor, with, however, this amazing difference: that whereas to-day those who rejoice in social service for its own sake are for the most part humble and obscure, and those who use social service for their own advancement are wealthy and illustrious, in a coöperative commonwealth the genius that now goes into competitive business will be drawn into the service of the coöperative commonwealth. The present alliance between ability and craft will be broken up and a new partnership encouraged between ability, wisdom, and unselfishness.

The fact that all life must adapt itself to environment has been felt from the earliest dawn of civilization. Plato

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stated it in the Republic. If justice is to be attained, according to Plato it can only be attained under a just form of government. The whole history of man since the days of Plato has demonstrated that every change in the condition of man can be traced as the direct result of change of environment—economic, political, ethical, and religious. The demonstration that this not only is so but must be so was left to science. And the contribution of science to Socialism is the demonstration of the fact that man can create his own environment—can take those elements in competition which are good and eliminate those which are bad—can take those elements in coöperation which are good and eliminate those which are bad; and by thus constructing his environment through wisdom and art, determine whether the type perpetuated by this environment is to be noble or base.

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CHAPTER V

ETHICAL ASPECT OF SOCIALISM

THE ethical aspect of Socialism is a practical continuation of the argument of the last chapter, and brings us to the crowning glory of Socialism: that it alone can and does reconcile the conflict between science, economics, and religion.

§ 1. THE CONFLICT BETWEEN SCIENCE AND RELIGION

Science produces convictions founded on fact. Religion imposes convictions founded on faith. If Religion confines itself to matters of faith—to the supernatural—it need not come into conflict with Science. But when it trespasses on the realms of Science—when it begins to deal with matters of fact—it creates a conflict with Science in which Science must in the end be victorious. Thus when the Church ventured to make it a matter of faith that the sun revolves around the earth, it might secure the recantation of Galileo, but it had in the end to yield before the demonstrations of astronomy.

This element of conflict between the church and the state is disappearing and is bound entirely to disappear. The church is more and more confining itself to supernatural matters which are properly within the domain of faith. So long as it does this, it need not clash with Science.

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There is, however, another occasion of conflict between Science and Religion more modern than the former and more real: The doctrine of evolution in attacking the theory of special creation needed at one time to attack the existence of God; and as interpreted by Herbert Spencer and his school, gave rise to the doctrine that "because, on the whole, animals and plants have advanced in perfection of organization by means of the struggle for existence and the consequent 'survival of the fittest,' therefore men in society, men as ethical beings, must look to the same process to help them towards perfection." [1]

This notion, which Huxley describes as the fallacy that at that time pervaded the so-called "ethics of evolution," raised an issue not only with the church, but with the fundamental principles of religion. For if, in fact, the blind process of evolution proceeding through the survival of the fittest and the destruction of the unfit, was the only process to which man could look for his development, then there is no need of a God, and what is far more important, there is no need for either human responsibility or human effort. Now the church, however much its sects may differ in other matters, has always been united in teaching not only the existence of a God, but the responsibility of man to God, and a duty of man to make the effort necessary to comply with his commandments. It is to the pages of Huxley that we must turn to see this Spencerian fallacy refuted.

Huxley pointed out that a gardener in growing things beautiful and useful to man proceeded in violation of the principles of evolution. The characteristic feature of what he calls the "cosmic process," that is to say, evolution *prior* to the advent of man, "is the intense and un-

[1] "Evolution and Ethics," by T. H. Huxley, p. 80.

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ceasing competition of the struggle for existence." The characteristic of evolution since the advent of man is "*the elimination of that struggle* by the removal of the conditions which give rise to it." [1]

The immense importance of these considerations is that they demonstrate no less important a fact than that Man is to-day the selecting agent and not Nature; and Man, by replacing evolution by Art converts things which in the domain of Nature are not edible, such as kale, into things which under Art become edible, such as cabbage.

But let us now take up the story as told by Huxley:

"Let us now imagine that some *administrative authority, as far superior in power and intelligence to men, as men are to their cattle, is set over the colony, charged to deal with its human elements* in such a manner as to assure the victory of the settlement over the antagonistic influences of the state of nature in which it is set down. He would proceed in the same fashion as that in which the gardener dealt with his garden. In the first place, he would, as far as possible, put a *stop to the influence of external competition* by thoroughly extirpating and excluding the native rivals, whether men, beasts, or plants. And our administrator would select his human agents, with a view to his ideal of a successful colony, just as the gardener selects his plants with a view to his ideal of useful or beautiful products.

"In the second place, in order that no struggle for the means of existence between these human agents should weaken the efficiency of the corporate whole in the battle with the state of nature, he would make arrangements by which each would be provided with those means; and would be relieved from the fear of being deprived of them by his stronger or more cunning fellows.

[1] "Evolution and Ethics," p. 13.

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Laws, sanctioned by the combined force of the colony, would restrain the self-assertion of each man within the limits required for the maintenance of peace. In other words, the cosmic struggle for existence, as between man and man, would be rigorously suppressed; and *selection, by its means, would be as completely excluded as it is from the garden.*

"At the same time, the obstacles to the full development of the capacities of the colonists by other conditions of the state of nature than those already mentioned, would be removed by the creation of artificial conditions of existence of a more favorable character. Protection against extremes of heat and cold would be afforded by houses and clothing; drainage and irrigation works would antagonize the effects of excessive rain and excessive drought; roads, bridges, canals, carriages, and ships would overcome the natural obstacles to locomotion and transport; mechanical engines would supplement the natural strength of men and of their draught animals; hygienic precautions would check, or remove the natural causes of disease. With every step of this progress in civilization, the colonists would become more and more independent of the state of nature; more and more, their lives would be conditioned by a state of art. In order to attain his ends, the administrator would have to avail himself of the courage, industry, and coöperative intelligence of the settlers; and it is plain that the interest of the community would be best served by increasing the proportion of persons who possess such qualities, and diminishing that of persons devoid of them. In other words, by *selection directed towards an ideal.*

"Thus the administrator might look to the establishment of an earthly paradise, a true garden of Eden, in which all things should work together towards the well-being of

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the gardeners; within which the cosmic process, the coarse struggle for existence of the state of nature, should be abolished; in which that state should be replaced by a state of art; where every plant and every lower animal should be adapted to human wants, and would perish if human supervision and protection were withdrawn; where men themselves should have been selected with a view to their efficiency as organs for the performance of the functions of a perfected society. And this ideal polity would have been brought about, not by gradually adjusting the men to the conditions around them, but by creating artificial conditions for them; not by allowing the free play of the struggle for existence, but by excluding that struggle; and by substituting selection directed towards the administrator's ideal for the selection it exercises." [1]

And this is not confined to physical things, but is extended to moral. "*Social progress,*" he says, "*means a checking of the cosmic process at every step and the substitution for it of another, which may be called the ethical process;* the end of which is not the survival of those who may happen to be the fittest, in respect of the whole of the conditions which obtain, but of those who are ethically the best." [2] And this leads to the final conclusion:

"As I have already urged, the practice of that which is ethically best—what we call goodness or virtue—involves a course of conduct which, in all respects, is opposed to that which leads to success in the cosmic struggle for existence. In place of ruthless self-assertion it demands self-restraint; in place of thrusting aside, or treading down all competitors, it requires that the individual shall not merely respect, but shall help his

[1] "Evolution and Ethics, p. 20." [2] Ibid., p. 81.

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fellows; its influence is directed, *not so much to the survival of the fittest, as to the fitting of as many as possible to survive.* It repudiates the gladiatorial theory of existence. It demands that each man who enters into the enjoyment of the advantages of a polity shall be mindful of his debt to those who have laboriously constructed it; and shall take heed that no act of his weakens the fabric in which he has been permitted to live." [1]

Further on, he repeats:

"Let us understand, once for all, that the ethical progress of society depends, not on imitating the cosmic process, still less in running away from it, but in combating it." [2]

And later on:

"I see no limit to the extent to which intelligence and will, guided by sound principles of investigation, and organized in a common effort, may modify the conditions of existence, for a period longer than that now covered by history. *And much may be done to change the nature of man himself.* The intelligence which has converted the brother of the wolf into the faithful guardian of the flock ought to be able to do something towards curbing the instincts of savagery in civilized men." [3]

And in a note Huxley emphasizes the extent to which human nature has been already modified by pointing to the fact that sexual instinct has been suppressed between near relations.[4]

Huxley's demonstrations that the happiness of man can only be attained by the limitation of competition, by deliberate institutions to that effect, and by conscious efforts to create an environment that will tend to develop the ethical qualities of men, put an end to the last

[1] "Evolution and Ethics," p. 81.
[2] Ibid., p. 83.
[3] Ibid., p. 85.
[4] Ibid., p. 116.

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serious occasion for conflict between Science and Religion; for it results in the same theories of human responsibility, and the same appeals to human effort, that it has been the rôle of the church to preach from the beginning.

I have quoted from "Evolution and Ethics" because to my mind this essay and its prolegomena make Huxley the founder of Scientific and Ethical Socialism. It is true that he himself repudiates this. To him Socialism is impossible because of what he describes as "the mighty instinct of reproduction." [1] He points out that we cannot apply to superfluous or defective human beings the system of extirpation which gardeners apply to superfluous and defective vegetables and weeds.

I have already answered the objection to Socialism on the ground of overproduction.[2] But Huxley never had presented to him the modern idea of Socialism herein described. He speaks of the "elimination of competition." It never occurred to him that the evils of competition could be eliminated without eliminating competition. Candor, however, compels me to admit that I do not think any presentation of the most modern form of Socialism would at all have converted Professor Huxley. There were two subjects upon which he could not speak without getting into a temper: Gladstone and Socialism.

When I met him, I was not myself a Socialist. Indeed, I did not become a Socialist until after Huxley died. My impressions, therefore, of him were not affected by a prejudice in favor of Socialism. On the contrary, I still regarded Socialism as impractical; I still believed it to be absurd. It was only after months of labor in attempting to utilize the "considerable fragments of a

[1] "Evolution and Ethics," p. 20.

[2] Book II, Chapter I.

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constructive creed"[1] which Professor Ritchie found in Professor Huxley's pages, that I was driven to a study of the Socialism to which I was utterly opposed, and found in it the only solution to the contradictions which blurred even the lucid pages of Huxley's works. And the contradictions in Huxley are not difficult to find. Nothing could be more pessimistic than what seems to be the climax of his argument in "Evolution and Ethics":

"The theory of evolution encourages no millennial anticipations. If, for millions of years, our globe has taken the upward road, yet, some time, the summit will be reached and the downward route will be commenced. The most daring imagination will hardly venture upon the suggestion that the power and the intelligence of man can ever arrest the procession of the great year."[2]

And yet, on the very next page, he closes this essay with a note of the serenest optimism:

"So far, we all may strive in one faith towards one hope."[3] And the keynote of his attitude towards this subject is to be found in a passage in which he "thinks it unjust to require a crossing-sweeper in Piccadilly to tell you the road to Highgate; he has earned his copper if he had done all he professes to do and cleaned up your immediate path"; and a little later where he "shudderingly objects to the responsibility of attempting to set right a world out of joint."

Now Socialists have the audacity to maintain that it is not beyond the intelligence of the crossing-sweeper of Piccadilly to know and tell the road to Highgate, and that the time has come when no one has a right

[1] "Government or Human Evolution," Vol. I, p. 16.

[2] "Evolution and Ethics," p. 85.

[3] Ibid., p. 86.

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to "shudderingly object to the responsibility of attempting to set right a world out of joint."

Huxley builded better than he knew; and in spite of his detestation of Socialism it was he who built its strongest and most enduring foundation; for unanswerable as may be the economic argument in favor of Socialism, it might take centuries to prevail if there were not an equally strong scientific and ethical argument for it.

The moment that Huxley recognizes that it is by the "elimination of competition," or shall we say the "limitation of competition," by substituting human selection for natural selection, and directing selection towards an ideal that man is to progress and develop, he has recognized the scientific basis of Socialism; and when he points out that Science teaches self-restraint, human responsibility, human effort, not so much the "survival of the fittest" as fitting as many as possible to survive, he has reconciled Science and Religion.

It is probable that one of the reasons why Huxley took a pessimistic view of the future was that he despaired of finding a solution to the economic struggle. I cannot forget the melancholy with which he said one day: "I am informed that England keeps its control of the market of cotton goods by a difference in cost of production of a farthing per yard. How long can this last?" But Huxley only gave a part of the scientific argument for Socialism. For the other part we have to turn from the pages of Huxley to those of Karl Marx.

One of the most important services Karl Marx rendered humanity was the demonstration of the predominating influence of economics in the development of man, in the determining of our custom, character, and conduct.

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The economic conception of history is described by F. Engels as follows:

"The materialist conception of history starts from the principle that production, and next to production the exchange of its products, is the basis of every social system; that in every society arising in history the allotment of products, and with it the division of society into classes or ranks, depends upon what is produced, how it is produced, and how when produced it is exchanged. Accordingly the ultimate causes of all social changes and political revolutions are not to be looked for in the heads of men, in their growing insight into eternal truth and justice, but in changes of the methods of production and exchange; they are to be looked for not in the philosophy, but in the economy of the epoch in question." [1]

Before elaborating this conception of history, it may be well to point out one or two elements of confusion in the terms in which it is stated. It is described as the "materialist conception of history," and for this reason many people imagine that the admission of this theory means the exclusion of the ideal. This is a profound error due to a misunderstanding of the use of the word "materialist." This word does not necessarily imply that the only proper conception of history is a materialistic one in the sense that it excludes the operation of ideals; but only that material conditions have played a predominating rôle in determining ideas.

The admission, however, must be made that this explanation is by no means admitted by all Socialist writers. Indeed the very language used by Engels is inconsistent with it. He says "they are not to be looked for in the philosophy, but in the economy of the epoch in question." If, however, Mr. Engels were alive to-day

[1] "Modern Socialism," by R. C. K. Ensor.

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and were challenged as to whether in fact he meant by this phrase to exclude philosophy altogether, I think he would answer in the negative. What he meant to say, I think, was that the ultimate causes of all social changes and political revolutions are to be looked for in the economy of the epoch rather than in its philosophy. And this, I think, with some limitation is true, for the philosophy of every period is to a large extent determined by its economic conditions.

To this general statement there are, however, notable exceptions. Some men either by the adequacy of their means or the smallness of their needs, are lifted entirely above economic conditions, so that they can reason abstractly without regard to economic conditions. This probably is true of almost every philosopher that has made his mark. It is impossible to read the words of Christ, of Plato, Aristotle, St. Thomas Aquinas, Carlyle, Emerson, and Tolstoi without being impressed by the fact that they soared far above all economic considerations.

On the other hand, economic conditions had a controlling influence on the whole philosophy of Ruskin. His first contact with life was while travelling with his father, who sold sherry to wealthy county families, and approached their mansions by way of the butler's pantry. This impregnated Ruskin with a cult for aristocracy. It made it impossible for him to consider popular government without impatience.

Economic conditions too had put their mark so ineffaceably on the mind of Huxley that although in his criticism of Herbert Spencer he destroyed the principal philosophic bulwark of capitalism, he could not talk on Socialism without irritation.

Thus although men as great as Ruskin and Huxley

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were unable to rise above the slavery of the economic conditions in which their minds had been formed, others are so constituted as to be able to discuss ethics without any regard to economic conditions whatever. There is, however, no doubt as to the dominating influence of economic conditions in determining the average mental attitude.

Man had two dominating appetites—for food and for perpetuation; and of these, because that for perpetuation is fitful whereas that for food is continuous, the latter is the more determining of the two. There is hardly an act in a man's life which is not determined by the needs of food in the first place and the search for food in the second. This is admitted by all sociologists.

A right understanding of economics is therefore of the utmost importance to the conscious development of man. Unfortunately economists themselves have been until very lately just as narrow in their disregard of science and religion as science and religion have been narrow in their disregard of economics. Let us consider as briefly as the subject permits the inconsistencies which result from this narrowness in regard to religion and economics.

§ 2. Conflict between Economics and Religion

It is said that by the side of every poison in Nature there grows its antidote; that for every bean of St. Ignatius there is a bean of Calabar; and that a man poisoned by the one has only to stretch his hand out to the other.

So also in our social system may the two influences be at work, at odds with each other; whereas, did we but know enough, they might not only serve to counteract

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one another, but even become a priceless boon to humanity, as indeed the beans of St. Ignatius and Calabar have been made to yield up drugs as useful as nux vomica and eserine.

Religion and economics start by assumptions that are glaringly inconsistent.

Religion proceeds upon the assumption that man has morality in him and will, sometimes, act morally even contrary to his material interests.

Economics proceed upon the assumption that man has no morality in him and will never act morally if morality be contrary to his material interests.

Modern economists have somewhat modified this last view, but I am not criticising modern Political Economy, which is already lowering its flag to new doctrine; I am criticising the doctrine of *laissez faire*, which still constitutes the backbone of our existing economics and will continue to deform our economic ideas until that backbone is relegated to museums by the side of the Ichthyosaurus and the Iguanodon.

Is the assumption that economic science is uninfluenced by morality true or false? Undoubtedly an economic science can be and has been constructed which does ignore morality and, dealing with man not as he really is but stripped of his morality, or as he is termed by some economic writers, "economic man," and still more naïvely by others the "average sensual man," has laid down the laws which *for such a man* govern the production, distribution, and accumulation of wealth. In the development of this science it has been found necessary to define wealth, and here we come upon the first hard substance against which economists have broken their heads. For obviously wealth is to the "economic" or "average sensual" man a totally different thing to

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what it is to a Diogenes, a Cato, or to a Sister of Charity. To the latter wealth or well-being as opposed to illth or ill-being, consists mainly in the opportunity to be helpful to our fellow-creatures, whereas to the average sensual man wealth means money or the things that represent money, produce, bonds, and shares of stock. Now all economists are not "average sensual" men; it is doubtful whether to those who know the Dean of Modern Economists, Mr. Alfred Marshall, he can be described as a sensual man at all; and so there are few subjects upon which economists have differed so much as upon the definition of wealth. The extremists confine wealth to material things that have an exchange value; but the absurdity of such a definition is slowly making itself recognized; thus it has been forced upon some that skill is wealth; and upon others that honesty too is wealth; for the money value of honesty is now put into dollars and cents by surety companies. And so very slowly but surely economists are beginning to recognize that man is a moral as well as a sensual animal, and that his morality cannot be disregarded even by economics.

Then, too, what is wealth in one country is not wealth in another; thus we are told that the food of John the Baptist was "locusts and wild honey," and in certain parts of Africa locusts are still a marketable article of food; so snails are wealth in France though not in England; and human flesh which is not wealth in Europe is still wealth in some parts of Africa. Wealth then depends upon two factors: intrinsic and extrinsic; the first including qualities of the thing itself, the second depending upon human demand; so that a painting by Tintoretto is wealth to a community that loves art, but an encumbrance to one that does not love it; and absinthe, that is

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regarded as a valuable asset in France, is excluded by Belgium as poison.

Here again we come up against the morality of man; will he continue to poison himself with absinthe or will he abstain? Upon this ethical decision will depend the question whether the immense stock of absinthe now on the French market is wealth or not. And so we are led insensibly to a question of still wider importance: Is wealth money or is it happiness? If it is money then economists are right; if it is happiness then they are wrong. And yet it is as clear as the sun on a cloudless day that what man wants is happiness, and that if he has been set all these centuries on seeking money it is because money is believed by him to be practically the only medium through which he can attain happiness. Here is repeated the old story of the captive beaver in the attic gathering sticks to make a dam when the water pitcher was upset. The object for making dams had disappeared, but the dam-building instinct survived. We have grown so accustomed to labor for money that we have lost sight of the real object of our efforts; and we have to think a long time before we recognize that money in itself is of no importance to us whatever; and that the only thing of real importance is that for which money is sought—happiness. Now what happiness consists of depends upon the mentality of any given community. The tree-dwelling savage's idea of happiness is plenty of nuts and fine weather; the Englishman's idea is plenty of land and a seat in Parliament; the American's idea is millions of money; and the tree-dwelling savage is probably as near the truth as either of the other two.

Obviously there is an ideal of happiness quite different from this; an ideal that recognizes the solidarity of the

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race and recognizes that no one man can be securely happy unless his neighbors are happy also; an ideal built on the plan of mutual helpfulness—of coöperation instead of competition. But here the lip of the economist will curl and he will, if he deigns to express himself at all, denounce such a proposition as "impractical." But why does he do this? Because he has been educated to believe that economics deal only with the "average sensual man," and that wealth consists exclusively of "material things that have an exchange value." If, then, it turns out that both these assumptions are false, is it not time for him to revise his philosophy?

It is not unnatural that starting with false definitions of man and of wealth, economists should arrive at a false conclusion regarding the so-called beauties of our industrial system, and of such time-honored though immoral maxims as "competition is the soul of trade" and "*caveat emptor.*"

And now after this rapid glance at economic philosophy and the "average sensual man," let us turn to Religion and see how Religion regards man.

It seems inconceivable that the same civilization should include two bodies of men living in apparent harmony and yet holding such opposite and inconsistent views on man as economists on the one hand and theologians on the other. To these last, man has no economic needs; this world does not count; it is merely a place of probation, mitigated sometimes, it is true, by ecclesiastical pomp and episcopal palaces; but serving for the most part as a mere preparation for a future existence which will satisfy the aspirations of the human soul—the only thing that does count, in this world or the next. So while to the economist man is all hog, to the theologian he is all soul; and between the two the Devil secures

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the vast majority. One-fifth of the population in London is admittedly foredoomed to die in a penitentiary, an almshouse, or a lunatic asylum; and the vast multitude of wage earners are kept out on the ragged edge of the strike on one hand and unemployment on the other, with no better prospect before them than a destitute old age.

Were there no churches in the land, were there no charity in man, no pity, the economists would be comprehensible; but with our churches still crowded; with charitable societies as thick as universities; with pity in their own hearts giving every day the lie to the economic enormities they profess and teach, what are we going to say of these men? And were there no economists in the chair, no stock exchange, no factory, no strikes, no unemployed; did our theologians' stomachs never themselves clamor for food, or their bodies cry out for shelter and heat, they too would be excusable. But with our tenements steeped in misery; with misery pitilessly leading to crime, vice, disease; with the demands of the body brought home to every one of them a thousand times a day, is it not time for theologians at last to remember that men have bodies as well as souls?

Consider then these two sets of teachers, one professing a philosophy built on the assumption that man is all body and no soul, the other built on the contrary assumption that man is all soul, meeting daily at dinner parties and discussing the agony of the workingman with complacency and "philosophic calm"!

Yet if we look at the world as it is, so full of evil and yet so easily set right, we will not delve at the roots of plants and say: "Life is all mud;" nor point to their leaves and say: "Life is all flower and fruit." Life is made up of root and flower; man is made up of body

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and soul. The economy and the religion that heed this will alone be true. Let economics be enlightened by religion and let religion be enlightened by economics; let the economist learn that the soul of man is more than raiment and the priest that the needs of the body come in order of time before the needs of the soul; let the economist learn the laws of mutual helpfulness and the priest the laws of the production and the distribution of well-being; and there will spring into existence a new religion and a new political economy that will preach the same thing—the solidarity of man—that what man wants in this world is not money, but happiness—and that he can prepare himself best for the next world of which he knows nothing by making his neighbor as well as himself wholesome as well as happy, in this world of which he to-day alas, knows too much of its misery and too little of its play.

§ 3. Socialism Reconciles Religion, Economics, and Science

Let us now consider the Scientific and Ethical aspects of Socialism from a slightly different angle than that which closed the preceding chapter.

In what Huxley calls the "cosmic process"—the process of evolution prior to the advent of Man—the development or degeneration of animal or vegetable life is determined by the environment. If the environment is favorable to development, there is development; if it is unfavorable, there is degeneration. The question, therefore, whether animal or vegetable life is to develop or degenerate is left to the caprice of environment. The process through which this caprice is exercised is the survival of the fittest, and this includes two processes: the utmost propagation on the one hand, and the utmost competition

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on the other. With all the cruelty that this system involves, it would be idle to call such a process moral; nor would it be reasonable to call it immoral. The cosmic process is non-moral. It ignores justice because justice is a conception of either God or Man, and is not found in Nature outside of God or Man at all.

If now we turn from the cosmic process to that employed by the gardener in converting wild land into a garden for the purpose of producing things beautiful or useful to man, we find that the gardener reverses the cosmic process. He does not tolerate utmost propagation or even propagation at all except to the extent necessary to furnish him beautiful or useful things. He limits propagation; and as to utmost competition, he eliminates competition altogether. And it is only by limiting propagation and eliminating competition that the gardener keeps his garden beautiful and useful. The moment he stops applying to his garden patch the art which limits propagation and eliminates competition, that moment the garden tends to return to a state of Nature; to

> "an unweeded garden,
> That grows to seed; things rank, and gross in nature,
> Possess in merely." [1]

It must also be observed that in the garden patch selection is not exercised by the environment, though it is

[1] Of course, I must not be understood to mean that nothing beautiful or useful grows in Nature outside of the art of the gardener. On the contrary, we know that in the Tropics Nature furnishes not only beautiful things, but enough of useful things to make the art of the gardener unnecessary. The lesson to be drawn from the garden patch is that, if the best result in the shape of beautiful and useful things is to be obtained from a limited surface, Art must be applied to that surface; Nature cannot be depended upon.

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limited by the environment; selection is exercised by the gardener who, within the limits permitted by the environment, replaces Nature. It is no longer Nature that selects, but Man.

Let us now turn from the civilized garden to the civilized community. Here, too, we find the cosmic process in some respects reversed; in other respects, allowed to run riot. It is reversed in the sense of the word that prudence created by the ownership of property limits the propagation of the educated; but it remains unreversed by the fact that despair created by absence of property leaves propagation unchecked in the uneducated. So that if it be admitted that it would be better for type that the educated should propagate than the uneducated, the human type is tending to degenerate owing to the fact that there is unlimited propagation of the least desirable types; whereas there is limited propagation of the more desirable.

When we turn to competition, we find it almost unrestrained. Indeed, it was the deliberate policy of the government and of political economists a century ago to let it proceed absolutely without restraint. Such was the doctrine of *laissez faire* and such is the doctrine which to-day is expressed by business men in the request to be "let alone." But the experience of the past one hundred years has demonstrated that humanity cannot afford to let competition go unrestrained; that it leads to such fatal consequences that all—even the most educated and carefully nurtured—are exposed to the contagion of disease engendered by unrestrained competition; witness the cholera scare and the hygienic laws to which this cholera scare gave rise.[1] Competition has been controlled in various manners: by laws such as factory acts,

[1] Book III, Chapter II.

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child labor acts, women labor acts; second, by trade unions which the community and the law have had to protect in order to keep workingmen from the danger of having to work for less than starvation wages; and last of all, by trusts, which discovered that competition involves a waste which, could it be saved, would roll up enormous dividends to stockholders. But trusts have occasioned evils against which to-day the whole nation is crying out. So that the cry now abroad is to control monopolies, trusts, and corporations; and if the efforts to control corporations have not already sufficiently demonstrated that such laws are bound to result in more blackmail than control, no reasonable man can doubt that they must in the end so result in view of the fact that the prizes offered by business attract first-class talent to business whereas the smaller prizes offered by politics or the government can only draw to it second- or third-rate ability.

I trust it has been shown that the confusion that results from the competitive system is due to false notions of property; that property as an institution is, and must always be, essential to the economic structure of the state in the sense that the original and beneficial purpose of property is to secure to men as nearly as possible the full product of their toil. This is the ideal distinctly expressed by Mr. Roosevelt, and is the ideal of every mind that has distinct notions about property at all.

Our social structure, therefore, should be so organized as to assure to men the full product of their toil by the adoption of some such system as has been described in the chapter on the Economic Construction of the Co-operative Commonwealth.

In such a social structure, competition would be limited

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so that we should reserve its stimulus and eliminate its sting, and propagation would be limited not only by prudence, but by the economic independence of women, who ought to have most to say on the subject. In such a social structure, we should for the first time have an environment that would discourage vice and encourage virtue. And here comes, as I have already said, the crowning glory of Socialism that reconciles religion, economics, and science.

For the Church teaches: "Man is born in sin; his passions are sinful; unaided by God he is their slave. If, however, he chooses to make the effort necessary to secure the aid of God, he can master his passions and earn salvation. But although the Grace of God will secure to him some happiness in this world, this world is a place of unhappiness and purgation; the reward of the faithful is not in this world, but in the world to come."

The Economist teaches: "Man is born in sin; his passions are sinful; in matters so practical as bread and butter we must not allow ourselves to be deluded by the promises of the Church, as to the fulfilment of which no evidence has ever been furnished. A practical system of economics then must be built on the undoubted fact that the 'average man' is 'sensual' and will always act in accordance with what he believes to be his material interest. It must be founded on human selfishness; let every man be driven by selfishness to make wealth primarily for himself and incidentally for the community at large. This is the only practical system for the accumulation of wealth."

Science says: "Man is born with passions, but are these passions sinful? They are sinful when uncontrolled, because they may then act injuriously to the neighbor.

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When controlled they act beneficially to the neighbor. The problem is not how to suppress passion, but how to control it. Man must indeed obey his greater inclination; but Man has the power to mould his own environment; to make his own habits; to make his own inclination; Man therefore is master—not slave. There is too in evolution a power which from the creation to this day has persistently worked toward progress, justice, and happiness; but we are still ignorant as to what this power is except in so far as we see it working in Man. In Man we can see and study the working of this power. And we find it in Man's capacity to mould his own environment by resisting Nature instead of yielding to it. And so science teaches to-day—not the gospel of evolution alone—but also the gospel of effort and Art."

In Nature we observe two systems of social existence: one competitive, one coöperative. Both are attended by evils; both by advantages. Man can frame his social and economic conditions so as to eliminate the evils and secure the advantages of both. This is Socialism.

Socialism leaves the church free to proceed along the lines of its faith; but it furnishes the church with the inestimable advantage of creating economic conditions that make the practice of religion for the first time possible. To-day economic conditions by ignoring the soul of Man and appealing only to his appetites make the practice of the Golden Rule impossible.

Economic conditions can be so changed that they appeal to the soul of man without ignoring his appetites. It may be that the earth is a place of preparation for another life. But it is not for that reason necessarily a place of misery and injustice. Socialism by eliminating misery and injustice will make this preparation easier. The environment of Socialism will tend to improve not

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only the individual, but also the type. It may be that the grace of God will help man to be noble and just. Let the church continue to teach this. But let science be heard also in the positive proof it furnishes that man will and must be what the environment makes him; that if we continue to tolerate economic conditions that appeal to his selfishness, he will and must remain selfish; whereas if wiser economic conditions appeal to his unselfishness he will and must tend to be unselfish.

And so in Socialism and in Socialism alone, do we find reconciled the ethics of the church, the needs of economics, and the demands of science.

The new church will continue to teach social service; the new economics will permit of social service; and the new science will make of social service an environment out of which the new type of man will be evolved that will justify the words of Christ: "Hath it not been said in your law 'Ye are Gods'?"

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CHAPTER VI

SOLIDARITY

I THINK it was Miss Martineau who said that if her generation was better than that which preceded her, the betterment was due to the teachings of Carlyle; and much though we may differ with John Ruskin in matters of detail, no one will dispute the apostolic fervor with which he endeavored to push on the work of Thomas Carlyle. It is a significant fact, therefore, that both Thomas Carlyle and John Ruskin had nothing but abuse to give to political economy. Nevertheless, I think we all must agree that this hostile attitude was due to a misconception of the scope of political economy, a misconception due in great part to its name; for the words "political economy" seem to indicate that it deals with the economy of the state, and that it becomes the duty of its teachers to show us not only what the rules regarding the production and distribution of goods are, but what they ought to be.

In fact, however, although economists do discuss how—if at all—the system of production and distribution of goods can be improved, they have always regarded it as their principal function to describe accurately what the rules that govern production and distribution really are, rather than what they ought to be. And as existing industrial conditions are extremely complicated, those who have thrown light upon them are highly to be hon-

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ored. And although they have contributed nothing to the solution of such problems as unemployment, pauperism, and the conflict of labor and capital, it may be as unreasonable to complain of this as to quarrel with the "crossing-sweeper of Piccadilly" because he is unable "to tell you the road to Highgate."

Again, political economy has encountered a great deal of unmerited abuse because critics have confounded authors with their subject, and have held economists responsible for the industrial conditions they describe; whereas, these economists have earned our sincerest thanks for demonstrating that the competitive system offers no solution for the conflict between capital and labor, or the problem of unemployment and all the other problems as those of pauperism, prostitution, and economic crime which result therefrom.

Mr. Ruskin is certainly wrong when he denounces political economy as the "science of getting rich," and when he adds that "persons who follow its precepts" do actually become rich; "all persons who disobey them become poor"; for our ablest political economists have always been and still are relatively poor men, and our richest millionaire is a past master of the rules in the game which it is his particular business to play; but he is not concerned with a science which does no more than study wealth under the competitive system and demonstrate how inevitably a few grow rich and the rest grow poor under it.

Let us then abandon hostility to a science without which to-day we could not see clearly the workings of the existing system, and on the contrary, avail ourselves of all its teachings, recognizing that a study of what industrial conditions to-day are must precede the study of what they could and should be.

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The study of political economy is necessary to a study of "social economy." Political economy admittedly deals with the average sensual man, and having determined the rules that determine the actions of the average sensual man, it becomes now the problem of social economy to deal with the average moral man. And the moral man must not be regarded as opposed to the sensual. The moral man includes the sensual, but adds affection, sympathy, and all that makes happiness to the sensual man who may, through absence of affection and sympathy, fail to attain the happiness of which he is in search. Under this definition, while political economy deals with the attainment of wealth, social economy deals with the attainment of happiness; and as man must eat before he can pursue happiness, social economy must concern itself with the acquisition of wealth to satisfy physical needs before it concerns itself with the attainment of justice to satisfy moral needs. An attempt has been made in this book to present the social and economic structure which would best attain happiness. Would such a system at the same time attain justice?[1]

To arrive at a correct notion of justice, we have to refer once more to the difference between what Huxley

[1] In a previous attempt to define justice, I have found it necessary to devote to this subject an entire volume, and I do not believe that the subject can be sufficiently discussed in less than such a volume. The definition with which I concluded that book has been adopted by Mr. Lester F. Ward in his book on Applied Sociology. I believe that all other definitions of justice are defective mainly because other definitions such as those of Herbert Spencer in his book entitled "Justice" confound justice with liberty. In other words, his definition of justice is a definition of liberty, whereas justice is more than liberty. Or perhaps it would be more correct to say that liberty is one of the elements of justice.

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calls the "cosmic process"—that is to say, the process of the environment of Nature before the advent of Man —and the ethical process, or the process of the artificial environment created by Man. For there is one difference, and a most essential difference, between them to which attention has not yet been directed: namely, that in communities such as those of the bee and ant, the individual is sacrificed to the community; whereas the effort of Man is or should be to so organize his community that it will serve the happiness of the individual. For example, we would not tolerate a community upon the plan we see practised by the bees, under which only one male out of a whole hive is permitted to propagate and all the rest of the males on attaining maturity are caused to die; only one female of the whole hive is allowed to be fertile and to propagate, all the rest being subject to the dreary round of keeping the fertile bee a prisoner, of feeding her, of rearing, feeding and caring for the young in the hive, and incidentally destroying any males who may return to the hive from the nuptial flight. We have to recognize that the great obstacle to happiness in community life is sexual instinct, of which Socialists of the type of Edward Bellamy have for the most part failed to take account.

Reference has been made to the various devices adopted by different races of animals and by Man at different periods and at different places to solve the problem of sexual instinct,[1] and it has been, I think, demonstrated by Professor Giddings, that of all the systems proposed none can compare with our present institution of marriage.[2] The mere fact that the marriage system has survived in the conflict with races that have adopted other

[1] See "Government or Human Evolution," Vol. II, p. 181.

[2] See "Principles of Sociology," pp. 414–415.

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systems ought to furnish an argument in favor of its superiority. In the struggle between races of Man, those races the institutions of which require most self-restraint have invariably overwhelmed those races whose institutions require less self-restraint. For example, the tribes that lived without any regulation of sexual instinct and in which children took the name of their mother because the name of their father was not and could not be known, disappeared in the conflict with tribes which insisted upon some restraint to sexual appetite, such as the patriarchal system. Again, the patriarchal system which tolerated polygamy has everywhere been destroyed when it came into conflict with monogamous races, such as our own, which involve still further restraint in the sexual relation.

It would seem, therefore, as though the monogamous marriage were the keystone of our present civilization, for upon it has been built the family, and the education and self-restraint which family life involves.[1] There is too no function of the family more important than that it serves as a model of what the state ought to be as distinguished from what the state actually is; that is to say, a government which should have equal concern for every member of the community, and not one which as at present surfeits some and starves others.

It is the growing idea that a properly constituted state must do this for the protection not only of the many, but of the few that probably give the most continuous aid to Socialism. As Mr. Edwin Björkman expressed it: "We are beginning to grasp the futility of planning the welfare of any one human being apart from the rest of his kind. We are coming to think of ourselves, at last, as links in a chain so firmly bound together that when the

[1] See "Justice," p. 127, by the author.

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devil grabs the hindmost the wrench is felt by the topmost—felt in the very marrow of his bones." [1]

And so while the institution of marriage has removed an obstacle to solidarity in community life, public health has proved its ally. Mr. Björkman has made an estimate of the enormous cost of unnecessary sickness. But the protection of public health is furnishing us a far better argument in favor of solidarity and Socialism than the mere cost of neglecting it. In Cuba our sanitary engineers have practically got rid of yellow fever, not only for that community, but for our own. Recent discoveries tracing malaria to the mosquito are leading to the destruction of this insect. Smallpox and cholera have practically been stamped out, and efforts are now being made to do the same with typhoid and tuberculosis.

Now one feature characterizes all these efforts. They cannot be made by one man for himself; they have to be made by whole communites for whole communities and they will eventually have to be made by the whole world for the whole world. The same thing is true of vagrancy, pauperism, and crime. No individual or group of individuals can handle this problem; it must be handled by every community, and through the further extension of extradition treaties by all countries for the whole world.

Again, reference has been often made in this book to the necessity under which governments, openly professing the policy of *laissez faire*, have found themselves to enact laws totally inconsistent with this doctrine. Such laws ought to be sufficient evidence that the days of *laissez faire* are gone forever; and that this theory, universally proclaimed a century ago as the only sound theory of government, has to-day given way before the

[1] The Unnecessary Curse of Sickness, *World's Work*, July, 1909.

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recognition that no wealth can compensate a man for the misery of his neighbors; and that even if, abandoning all ideals and all ethics, we confine ourselves to the problem how to make men materially happy, we can only do so by adjusting our institutions so that no man will be allowed to become or to remain a pauper or criminal.

I am not discussing here matters of theory, but matters of fact.

Theoretically, the development of man might have taken a totally different direction. The master minds of the period (such as that, for example, of Mr. W. H. Mallock) might have so organized the able as to constitute an aristocracy strong enough to keep the rest of the community in a state of ignorant servitude, so that while Mr. Mallock was enjoying the necessary leisure to discuss the "New Republic" amid the luxury of his English country home, all the work of the world would be accomplished by human automata with no desires beyond that of the immediate gratification of their appetites. Unfortunately, however, Mr. Mallock has come too late upon the scene. Some years before he was born, the die was cast. Workingmen were given a voice in public affairs and have been educated, so that they constitute a power with which government has to reckon. Here is a fact against which it is useless for millionaires to break their heads. No one can ignore the power exercised by such men as Bebel in Germany, Jaurès and Guesde in France, Vandervelde in Belgium, Keir Hardie and MacDonald in England, Gompers and John Mitchell in America. These men are all engaged in organizing the workingmen's vote with extraordinary efficacy in Europe, and with extraordinary inefficacy in the United States. But the days of Gompers and Mitchell are drawing to a close, and in this country as well

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as in Europe, Organized Labor will grow to understand the inevitable truth that it is only by political action and with the Socialist program that it can defeat the power of capital. So that whether Mr. Mallock be right or not, the day of aristocracy is over and the day of solidarity has dawned. The question for us to decide is whether we should recognize this fact and modify our institutions to conform to the new era, or whether we should continue to ignore the fact until we break our heads against it.

The point which Mr. Mallock and his school have failed to understand is that the very greed which creates aristocracy unfits the aristocrat for the coöperation indispensable to its survival. This condemns him, as it does all the highest types of canivora, created by the competitive system to isolation. For it is out of the jealousy and struggles of the aristocrats with one another that the people are at last getting to their own. It was because the king, the noble, and the church could not agree in the division of spoils that their perpetual altercations left room for the organization of the Communes in France at the end of the eleventh century. It was because the church, the noble and the king would not give a fair share of the honors and spoils of the state to the wealthy bourgeoisie, that the bourgeois was obliged to associate himself with the people in 1789; it was because of the conflict between the Whigs and the Tories that the franchise was gradually extended to the workingmen in England; and it is because the Republicans can put no limit to their greed that workingmen in America will find themselves eventually compelled to organize politically their at present disunited multitudes. It is, therefore, extremely improbable that, even if Mr. Mallock had lived in an earlier age, he could have pre-

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vented the inevitable progress of the great principle of solidarity which has determined the direction of human development ever since it began to differ from that of other animals.

If now we run through all the differences between the natural environment and the environment created by Man, we shall see that they practically all proceed upon the theory that men must develop no longer as individuals but as a unit. All our customs and laws proceed upon the theory of liberty and justice; and upon that theory is based the original principle of property that assures to all men the product of their toil. Now if all men are to be assured the product of their toil, there must be an end to the system which puts a few millionaires at one end of the social scale and millions of paupers at the other.

Again, for centuries the so-called struggle for life has ceased to be a struggle for life, but has become a struggle for wealth, power, and consideration. It is no longer only the fit that survive; the unfit also survive; and if the unfit are to survive, we all have a common interest in taking the necessary steps to prevent the unfit from proving too heavy a burden upon the community.

Again, all isolating vices such as lust, ferocity, craft, fear, and selfishness—vices which characterize the carnivora and condemn them to lives of isolation—are being tempered by the necessities of common life—by the fundamental fact of the solidarity of Man. Thus, lust is tempered and in part replaced by love and mercy; ferocity is tempered and in part replaced by courage and patience; fear is tempered and in part replaced by respect and reverence; selfishness is tempered and in part replaced by unselfishness.

And all this advantage which humanity has attained

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over the lower animals is due to its ability to mould its own environment, and deliberately undertake the task of justice; namely, to "eliminate from our social conditions the effects of the inequalities of Nature upon the happiness and advancement of Man, and particularly to create an artificial environment which shall serve the individual as well as the race, and tend to perpetuate noble types rather than those which are base."

It is true that so far our efforts to attain justice have lamentably failed; but they have failed mainly because we have not yet sufficiently limited the scope of competition. The day we limit competition as suggested in the chapter on the Economic Structure of Socialism,[1] that day we shall have removed the lion from our path. And as stated in the Preface, the development of Man will then proceed upon the theory that all are perfectible and that it is through the improvement of all that every individual will attain his best freedom, his best happiness, and the fullest opportunities for promoting the happiness of all around him.

This is the ideal to attain which the environment described in the Chapter on the Economic Construction of the Coöperative Commonwealth has been conceived. It is the ideal which furnishes the most economical method of production and distribution and, therefore, the most leisure and liberty; that creates the environment fitted to perpetuate the noble rather than the base type; to promote virtue and discourage vice and, in a word, creates conditions under which we can practise the morality preached by every religion, whether it be that of Moses, of Mohammed, or of Christ.

[1] See Book III, Chapter II.

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APPENDIX

I

SOCIALIST PARTY NATIONAL PLATFORM

ADOPTED AT THE NATIONAL CONVENTION ASSEMBLED AT CHICAGO, MAY, 1908

HUMAN life depends upon food, clothing, and shelter. Only with these assured are freedom, culture and higher human development possible. To produce food, clothing and shelter, land and machinery are needed. Land alone does not satisfy human needs. Human labor creates machinery and applies it to the land for the production of raw materials and food. Whoever has the control of land and machinery controls human labor, and with it human life and liberty.

To-day the machinery and land used for industrial purposes are owned by a rapidly decreasing minority. So long as machinery is simple and easily handled by one man, its owner cannot dominate the sources of life of others. But when machinery becomes more complex and expensive, and requires for its effective operation the organized effort of many workers, its influence reaches over wide circles of life. The owners of such machinery become the dominant class.

POWER GOES WITH CONCENTRATION

In proportion as the number of such machine owners, compared to all other classes, decreases, their power in the nation and in the world increases. They bring ever larger masses of working people under their control, reducing them to the point where muscle and brain are their only productive

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property. Millions of formerly self-employing workers thus become the helpless wage slaves of the industrial masters.

As the economic power of the ruling class grows, it becomes less useful in the life of the nation. All the useful work of the nation falls upon the shoulders of the class whose only property is its manual and mental labor power—the wage workers—or of the class who have but little land and little effective machinery outside of their labor power—the small traders and small farmers. The ruling minority is steadily becoming useless and parasitic.

Struggle between Classes

A bitter struggle over the division of the products of labor is waged between the exploiting propertied classes on the one hand, and the exploited propertyless class on the other. In this struggle the wage-working class cannot expect adequate relief from any reform of the present order at the hands of the dominant class.

The wage workers are, therefore, the most determined and irreconcilable antagonists of the ruling class. They suffer most from the curse of class rule. The fact that a few capitalists are permitted to control all the country's industrial resources and social tools for their individual profit, and to make the production of the necessaries of life the object of competitive private enterprise and speculation, is at the bottom of all the social evils of our time.

Anarchy of Capitalist Production

In spite of the organization of trusts, pools and combinations, the capitalists are powerless to regulate production for social ends. Industries are largely conducted in a planless manner. Through periods of feverish activity the strength and health of the workers are mercilessly used up, and during periods of enforced idleness the workers are frequently reduced to starvation.

The climaxes of this system of production are the regularly recurring industrial depressions and crises which paralyze the nation every fifteen or twenty years.

The capitalist class, in its mad race for profits, is bound to

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exploit the workers to the very limit of their endurance and to sacrifice their physical, moral and mental welfare to its own insatiable greed. Capitalism keeps the masses of workingmen in poverty, destitution, physical exhaustion and ignorance. It drags their wives from their homes to the mill and factory. It snatches their children from the playgrounds and schools and grinds their slender bodies and unformed minds into cold dollars. It disfigures, maims, and kills hundreds of thousands of workingmen annually in mines, on railroads and in factories. It drives millions of workers into the ranks of the unemployed and forces large numbers of them into beggary, vagrancy and all forms of crime and vice.

How the Ruling Class Controls

To maintain their rule over their fellow men, the capitalists must keep in their pay all organs of the public powers, public mind and public conscience. They control the dominant parties and, through them, the elected public officials. They select the executives, bribe the legislatures, and corrupt the courts of justice. They own and censor the press. They dominate the educational institutions. They own the nation politically and intellectually just as they own it industrially.

Socialism Will Free All Classes

The struggle between wage workers and capitalists grows ever fiercer, and has now become the only vital issue before the American people. The wage-working class, therefore, has the most direct interest in abolishing the capitalist system. But in abolishing the present system the workingmen will free not only their own class, but also all other classes of modern society: the small farmer who is to-day exploited by large capital more indirectly but not less effectively than is the wage laborer; the small manufacturer and trader, who is engaged in a desperate and losing struggle for economic independence in the face of the all-conquering power of concentrated capital; and even the capitalist himself, who is the slave of his wealth rather than its master. The struggle of the working class against the capitalist class, while it is a class struggle, is thus at the same time a struggle for the abolition of all classes and class privileges.

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Private Ownership the Basis of Class Rule

The private ownership of the land and means of production used for exploitation is the rock upon which class rule is built; political government is its indispensable instrument. The wage workers cannot be freed from exploitation without conquering the political power and substituting collective for private ownership of the land and means of production used for exploitation.

The basis for such transformation is rapidly developing within present capitalist society. The factory system, with its complex machinery and minute division of labor, is rapidly destroying all vestiges of individual production in manufacture. Modern production is already very largely a collective and social process. The great trusts and monopolies which have sprung up in recent years have organized the work and management of the principal industries on a national scale, and have fitted them for collective use and operation.

The Socialist Party is primarily an economic and political movement. It is not concerned with matters of religious belief.

Freedom through Solidarity

In the struggle for freedom the interests of all modern workers are identical. The struggle is not only national, but international. It embraces the world and will be carried to ultimate victory by the united workers of the world.

To unite the workers of the nation and their allies and sympathizers of all other classes to this end, is the mission of the Socialist Party. In this battle for freedom the Socialist Party does not strive to substitute working-class rule for capitalist-class rule, but by working-class victory to free all humanity from class rule and to realize the international brotherhood of man.

THE SOCIALIST PLATFORM

The Socialist Party, in national convention assembled, again declares itself as the party of the working class, and appeals for the support of all workers of the United States and of all citizens who sympathize with the great and just cause of labor.

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We are at this moment in the midst of one of those industrial breakdowns that periodically paralyze the life of the nation. The much-boasted era of our national prosperity has been followed by one of general misery. Factories, mills and mines are closed. Millions of men, ready, willing and able to provide the nation with all the necessaries and comforts of life are forced into idleness and starvation. Within recent times the trusts and monopolies have attained an enormous and menacing development. They have acquired the power to dictate the terms upon which we shall be allowed to live. The trusts fix the prices of our bread, meat and sugar, of our coal, oil and clothing, of our raw material and machinery, of all the necessities of life.

Capitalism Takes the Offensive

The present desperate condition of the workers has been made the opportunity for a renewed onslaught on organized labor. The highest courts of the country have within the last year rendered decision after decision depriving the workers of rights which they had won by generations of struggle.

The attempt to destroy the Western Federation of Miners, although defeated by the solidarity of organized labor and the Socialist movement, revealed the existence of a far-reaching and unscrupulous conspiracy by the ruling class against the organizations of labor.

In their efforts to take the lives of the leaders of the miners the conspirators violated State laws and the federal constitution in a manner seldom equalled even in a country so completely dominated by the profit-seeking class as is the United States.

Capitalist Reform Futile

The Congress of the United States has shown its contempt for the interests of labor as plainly and unmistakably as have the other branches of government. The laws for which the labor organizations have continually petitioned have failed to pass. Laws ostensibly enacted for the benefit of labor have been distorted against labor.

The working class of the United States cannot expect any remedy for its wrongs from the present ruling class or from

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the dominant parties. So long as a small number of individuals are permitted to control the sources of the nation's wealth for their private profit in competition with each other and for the exploitation of their fellow men, industrial depressions are bound to occur at certain intervals. No currency reforms or other legislative measures proposed by capitalist reformers can avail against these fatal results of utter anarchy in production.

Individual competition leads inevitably to combinations and trusts. No amount of government regulation, or of publicity, or of restrictive legislation will arrest the natural course of modern industrial development.

While our courts, legislatures and executive offices remain in the hands of the ruling classes and their agents, the government will be used in the interest of these classes as against the toilers.

Old Parties Represent Class Rule

Political parties are but the expression of economic class interests. The Republican, the Democratic, and the so-called 'Independence' parties and all parties other than the Socialist Party, are financed, directed and controlled by the representatives of different groups of the ruling class.

In the maintenance of class government both the Democratic and Republican parties have been equally guilty. The Republican party has had control of the national government and has been directly and actively responsible for these wrongs. The Democratic party, while saved from direct responsibility by its political impotence, has shown itself equally subservient to the aims of the capitalist class whenever and wherever it has been in power. The old chattel-slave-owning aristocracy of the South, which was the backbone of the Democratic party, has been supplanted by a child-slave plutocracy. In the great cities of our country the Democratic party is allied with the criminal element of the slums as the Republican party is allied with the predatory criminals of the palace in maintaining the interests of the possessing class.

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Temporary Measures Demanded

The various "reform" movements and parties which have sprung up within recent years are but the clumsy expression of widespread popular discontent. They are not based on an intelligent understanding of the historical development of civilization and of the economic and political needs of our time. They are bound to perish, as the numerous middle-class reform movements of the past have perished.

As measures calculated to strengthen the working class in its fight for the realization of this ultimate aim, and to increase its power of resistance against capitalist oppression, we advocate and pledge ourselves and our elected officers to the following program:

General Demands

1. The immediate government relief for the unemployed workers, by building schools, by reforesting of cut-over and waste lands, by reclamation of arid tracts, and the building of canals, and by extending all other useful public works. All persons employed on such works shall be employed directly by the government under an eight-hour workday and at the prevailing union wages. The government shall also loan money to States and municipalities without interest for the purpose of carrying on public works. It shall contribute to the funds of labor organizations for the purpose of assisting their unemployed members, and shall take such other measures within its power as will lessen the widespread misery of the workers caused by the misrule of the capitalist class.

2. The collective ownership of railroads, telegraphs, telephones, steamship lines and all other means of social transportation and communication and all land. [1]

3. The collective ownership of all industries which are organized on a national scale and in which competition has virtually ceased to exist.

4. The extension of the public domain to include mines, quarries, oil wells, forests and water power.

[1] By a referendum vote of the entire membership of the Socialist party in 1909 these three words, "and all land," were stricken out of the Socialist platform.

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5. That occupancy and use of land be the sole title to possession. The scientific reforestation of timber lands and the reclamation of swamp lands. The land so reforested or reclaimed to be permanently retained as a part of the public domain.

6. The absolute freedom of press, speech and assemblage.

Industrial Demands

7. The improvement of the industrial conditions of the workers:

(*a*) By shortening the workday in keeping with the increased productiveness of machinery.

(*b*) By securing to every worker a rest period of not less than a day and a half in each week.

(*c*) By securing a more effective inspection of workshops and factories.

(*d*) By forbidding the employment of children under sixteen years of age.

(*e*) By forbidding the interstate transportation of the products of child labor, of convict labor and of all uninspected factories.

(*f*) By abolishing official charity and substituting in its place compulsory insurance against unemployment, illness, accidents, invalidism, old age, and death.

Political Demands

8. The extension of inheritance taxes, graduated in proportion to the amount of the bequests and to nearness of kin.

9. A graduated income tax.

10. Unrestricted and equal suffrage for men and women, and we pledge ourselves to engage in an active campaign in that direction.

11. The initiative and referendum, proportional representation and the right of recall.

12. The abolition of the Senate.

13. The abolition of the power usurped by the Supreme Court of the United States to pass upon the constitutionality of legislation enacted by Congress. National laws to be repealed or abrogated only by act of Congress or by a referendum of the whole people.

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14. That the constitution be made amendable by majority vote.

15. The enactment of further measures for general education and for the conservation of health. The Bureau of Education to be made a department. The creation of a Department of Public Health.

16. The separation of the present Bureau of Labor from the Department of Commerce and Labor, and the establishment of a Department of Labor.

17. That all judges be elected by the people for short terms, and that the power to issue injunctions shall be curbed by immediate legislation.

18. The free administration of justice.

Such measures of relief as we may be able to force from capitalism are but a preparation of the workers to seize the whole powers of government, in order that they may thereby lay hold of the whole system of industry, and thus come to their rightful inheritance.

II

DR. L. EMMETT HOLT

ALL who practice medicine among children and who study the question of infant mortality statistically are struck with the marked contrast between the death rate of the children of the poor and those of the rich. Clay estimates that in England in the aristocratic families the mortality of the first year is 10 per cent; in the middle class, 21 per cent; in the laboring classes, 32 per cent. This difference in the infant mortality of the various classes is most striking in the case of acute intestinal disease. Halle states that of 170 deaths from this cause investigated in Graz in 1903 and 1904 there were 161 among the poor, 9 among the well-to-do, and none among the rich. It may not be true in adult life, but *in infancy money may purchase not only health, it may purchase life*, since it puts at the disposal of the infant the utmost resources of science, the best advice, the best food and the best surroundings for the individual child. To relieve, or even greatly to diminish, infant mortality these basal conditions of modern city life—poverty and ignorance—must be attacked.

Journal American Medical Association, Feb. 26, 1910.

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III

EXTRACTS FROM EDICT OF LOUIS XVI, 1776, ABOLISHING THE GUILDS[1]

Louis, etc. We owe it to our subjects to assure them the full and complete enjoyment of their rights; we owe that protection especially to that class of men who, possessing nothing but their labor and industry, above all others have the need and right of employing to the limit of their capacity their sole resources for subsistence.

We have viewed with pain the multiplied blows which have been struck at this natural and common right of ancient institutions, blows which neither time, nor opinion, nor even the acts emanating from the authority, which seems to have sanctioned them, have been able to make legitimate.

[After describing the vicious effects of the guild monopoly, it continues:]

. . . Some persons . . . contend that the right of labor is a royal right, one that the Prince could sell and that the subjects ought to purchase. We hasten to place beside this another maxim:

God, by giving to men needs and making them dependent upon the resources of labor, has made the right of labor the property of all men, and that property is primary, the most sacred and most imprescriptable of all.

We regard it as one of the first obligations of our justice, and as an act in every way worthy of our beneficence, to emancipate our subjects from all their restraints which have been laid upon that inalienable right of humanity. Wherefore, we will to abolish the arbitrary institutions which do not permit the indigent to live by their labor; which exclude the sex whose weakness implies greatest needs and fewest resources . . . which stifle emulation and industry and make useless the talents of those whom circumstances exclude from admission into the guild; which deprive the state and art of all the advantages which foreigners might furnish. . . .

[1] Translation taken from "Turgot and the Six Edicts," by R. P. Shepherd, 1903, pp. 182, 186–7.

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IV

POLICE COMMISSIONER BINGHAM

Declaring that "law-breaking is the easiest and the most lucrative business in New York for the work involved," Police Commissioner Bingham yesterday forwarded his annual report to Mayor McClellan.

After stating that law-breaking in the city is an easy and lucrative business, the Commissioner continued:

"Its profits for slight effort are enormous and law-breaking has been able to intrench itself behind such a rampart of legislation and highly paid lawyers that the forces of law and order are placed in the astonishing position of being actually on the defensive against the law-breakers. Law-breakers and their highly paid lawyers frequently fool even the courts into giving them protection against the police on the grounds of illegal interference, or oppression.

"The howl of innocence is never so loud as when raised by crooks, and this includes not only the actual criminals, but their friends and protectors, crooked politicians. How otherwise is it possible for prizefights to be held in New York city, in spite of the earnest efforts of the police to prevent them? How otherwise is it possible for places positively known by the police to be gambling resorts to be conducted, and to obtain injunctions restraining the police from interfering with them?

"The foregoing is far from saying that the police force of New York is incompetent, or not able to cope with the situation. The police force is competent, short-handed though it is. Its activity and efficiency are proved by the very resistance given it by law-breakers, for the better the work done by the police, the more stubborn is the resistance they meet with from law-breakers."

As an example of what the police have to cope with the Commissioner mentions the recent Sunday-closing incident, where a court decision was handed down and enforced, and the Aldermen straightway amended the law. He then asks: "How then can the police execute the law, when there seems to be so much doubt as to what the law really is?"

Gen. Bingham continues:

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"These points are necessary in order that scheming politicians may be deprived of any possibility of summarily getting rid of an honest commissioner and in order that the honest men of the police force may be encouraged. The men of the force to-day are not quite sure who is their real boss—the 'machine' or the police commissioner. If once satisfied that it is the commissioner, with a long term and only removable on publication of charges, they will obey him."

Legislation requiring persons who sell any sort of dangerous weapons to record the date and hour of the sale, and report it, with the name and address of the buyer, to the police, is suggested, as well as a daily report from pawnbrokers, giving the date, hour, and other particulars of their transactions. This, the Commissioner says, is the custom in other large cities.

The following figures of arrests, etc., in the last year are given in the report:

ARRESTS MADE

By uniformed force	192,680
Detective Bureau	11,416
Total	204,096

These figures refer to the Boroughs of Manhattan, The Bronx, and Richmond. *N. Y. Times*, Jan. 5, 1908.

V

PETTIBONE v. NICHOLS

Dissenting opinion of Mr. Justice McKENNA:

I am constrained to dissent from the opinion and judgment of the court. The principle announced, as I understand it, is that "a Circuit Court of the United States, when asked upon *habeas corpus* to discharge a person held in actual custody by a State for trial in one of its courts under an indictment charging a crime against its laws, cannot properly take into account the methods whereby the State obtained such custody." In other words, and to illuminate the principle by the light of the facts in this case (facts, I mean, as alleged, and which we must

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assume to be true for the purpose of our discussion), that the officers of one State may falsely represent that a person was personally present in the State and committed a crime there, and had fled from its justice, may arrest such person and take him from another State, the officers of the latter knowing of false accusation and conniving in and aiding its purpose, thereby depriving him of an opportunity to appeal to the courts, and that such person cannot invoke the rights guaranteed to him by the Constitution and statutes of the United States in the State to which he is taken. And this, it is said, is supported by the cases of *Ker* v. *Illinois*, 119 U. S. 436, and *Mahon* v. *Justice*, 127 U. S. 700. These cases, extreme as they are, do not justify, in my judgment, the conclusion deduced from them. In neither case was the State the actor in the wrongs that brought within its confines the accused person. In the case at bar, the States, through their officers, are the offenders. They, by an illegal exertion of power, deprived the accused of a constitutional right. The distinction is important to be observed. It finds expression in *Mahon* v. *Justice*. But it does not need emphasizing. Kidnapping is a crime, pure and simple. It is difficult to accomplish; hazardous at every step. All of the officers of the law are supposed to be on guard against it. All of the officers of the law may be invoked against it. But how is it when the law becomes the kidnapper, when the officers of the law, using its forms and exerting its power, become abductors? This is not a distinction without a difference—another form of the crime of kidnapping, distinguished only from that committed by an individual by circumstances. If a State may say to one within her borders and upon whom her process is served, I will not inquire how you came here; I must execute my laws and remit you to proceedings against those who have wronged you, may she so plead against her own offences? May she claim that by mere physical presence within her borders, an accused person is within her jurisdiction denuded of his constitutional rights, though he has been brought there by her violence? And constitutional rights the accused in this case certainly did have, and valuable ones. The foundation of extradition between the States is that the accused should be a fugitive from justice from the demanding State, and he may challenge the fact by *habeas corpus* immediately upon his arrest. If he refute the fact he cannot be

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removed. *Hyatt* v. *Corkran*, 188 U. S. 691. And the right to resist removal is not a right of asylum. To call it so in the State where the accused is is misleading. It is the right to be free from molestation. It is the right of personal liberty in its most complete sense. And this right was vindicated in *Hyatt* v. *Corkran*, and the fiction of a constructive presence in a State and a constructive flight from a constructive presence rejected. This decision illustrates at once the value of the right and the value of the means to enforce the right. It is to be hoped that our criminal jurisprudence will not need for its efficient administration the destruction of either the right or the means to enforce it. The decision in the case at bar, as I view it, brings us perilously near both results. Is this exaggeration? What are the facts in the case at bar as alleged in the petition, and which it is conceded must be assumed to be true? The complaint, which was the foundation of the extradition proceedings, charged against the accused the crime of murder on the thirtieth of December, 1905, at Caldwell, in the county of Canyon, State of Idaho, by killing one Frank Steunenberg, by throwing an explosive bomb at and against his person. The accused avers in his petition that he had not been "in the State of Idaho, in any way, shape or form, for a period of more than ten years" prior to the acts of which he complained, and that the Governor of Idaho knew accused had not been in the State the day the murder was committed, "nor at any time near that day." A conspiracy is alleged between the Governor of the State of Idaho and his advisers, and that the Governor of the State of Colorado took part in the conspiracy, the purpose of which was "to avoid the Constitution of the United States and the act of Congress made in pursuance thereof, and to prevent the accused from asserting his constitutional right under cl. 2, sec. 2, of art. IV, of the Constitution of the United States and the act made pursuant thereof." The manner in which the alleged conspiracy had been executed was set out in detail. It was in effect that the agent of the State of Idaho arrived in Denver, Thursday, February 15, 1906, but it was agreed between him and the officers of Colorado that the arrest of the accused should not be made until some time in the night of Saturday, after business hours—after the courts had closed and judges and lawyers had departed to their homes; that the arrest should be kept a secret and the body of the

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accused should be clandestinely hurried out of the State of Colorado with all possible speed, without the knowledge of his friends or his counsel; that he was at the usual place of business during Thursday, Friday, and Saturday, but no attempt was made to arrest him until 11.30 o'clock P.M. Saturday, when his house was surrounded and he was arrested. Moyer was arrested under the same circumstances at 8.45, and he and accused "thrown into the county jail of the city and county of Denver." It is further alleged that, in pursuance of the conspiracy, between the hours of five and six o'clock on Sunday morning, February 18, the officers of the State and "certain armed guards, being a part of the forces of the militia of the State of Colorado," provided a special train for the purpose of forcibly removing him from the State of Colorado, and between said hours he was forcibly placed on said train and removed with all possible speed to the State of Idaho; that prior to his removal and at all times after his incarceration in the jail at Denver he requested to be allowed to communicate with his friends and his counsel and his family, and the privilege was absolutely denied him. The train, it is alleged, made no stop at any considerable station, but proceeded at great and unusual speed; and that he was accompanied by and surrounded with armed guards, members of the State militia of Colorado, under the orders and directions of the adjutant general of the State.

I submit that the facts in this case are different in kind and transcend in consequences those in the cases of *Ker* v. *Illinois* and *Mahon* v. *Justice*, and differ from and transcend them as the power of a State transcends the power of an individual. No individual or individuals could have accomplished what the the power of the two States accomplished; no individual or individuals could have commanded the means and success; could have made two arrests of prominent citizens by invading their homes; could have commanded the resources of jails, armed guards and special trains; could have successfully timed all acts to prevent inquiry and judicial interference.

The accused, as soon as he could have done so, submitted his rights to the consideration of the courts. He could not have done so in Colorado, he could not have done so on the way from Colorado. At the first instant that the State of Idaho relaxed its restraining power he invoked the aid of

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habeas corpus successively of the Supreme Court of the State and of the Circuit Court of the United States. He should not have been dismissed from the court, and the action of the Circuit Court in so doing should be reversed.

VI

EUGENE V. DEBS

"YES," said Debs. "The trusts are wiping out the competitive system. They are a stage in the process of evolution: the individual; the firm; the corporation; the trust; and so, finally, the commonwealth. By killing competition and training men to work together, trusts are preparing for the coöperative stage of industry: Socialism."

"Then you would keep the trusts we have and welcome others?" I asked.

"Of course," he answered, and Berger nodded approval.

"They do harm now," I suggested.

"Yes," said Debs, but Berger boomed: "No; not the trusts. Private owners of the trusts do harm, yes; but not the trusts."

"Well, but how would you deal with the harm?"

"Remove 'em," snapped Berger, and Debs explained: "We would have the government take the trusts and remove the men who own or control them: the Morgans and Rockefellers, who exploit; and the stockholders who draw unearned dividends from them."

"Would you pay for or just take them?"

Berger seemed to have anticipated this question. He was on his feet, and he uttered a warning for Debs—in vain.

"Take them," Debs answered.

"No," cried Berger, and, running around to Debs, he stood menacingly over him. "No, you wouldn't," he declared. "Not if I was there. And you shall not say it for the party. It is my party as much as it is your party, and I answer that we would offer to pay."

It was a tense but an illuminating moment. The difference is typical and temperamental; and not only as between these two opposite individualities, but among Socialists generally. Debs, the revolutionist, argued gently that, since the system under which private monopolies had grown up was unjust, there

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should be no compromise with it. Berger, the evolutionist, replied angrily that it was not alone a matter of justice, but of "tactic"; and that tactics were settled by authority of the party.

"We (Socialists) are the inheritors of a civilization," he proclaimed, "and all that is good in it—art, music, institutions, buildings, public works, character, the sense of right and wrong —not one of these shall be lost. And violence, like that, would lose us much." Berger cited the Civil War: "All men can see now that it was coming years before 1861. Some tried to avert it then by proposing to pay for the slaves. The fanatics on both sides refused. We all know the result: slavery was abolished. But how? Instead of a peaceful evolution and an outlay of, say, a billion, it was abolished by a war which cost us nearly ten billion dollars and a million lives. We ought to learn from history, so I say we will offer compensation; because it seems just to present-day thought and will prove the easiest, cheapest way in the end. And anyhow," he concluded, "and besites, the party, it has decited that we shall offer to pay."

From the article by Mr. Steffens, *Eugene V. Debs*, in *Everybody's Magazine*, Oct., 1908.

VII

TRAMPS AND VAGRANTS

TRAMPS, professional and amateur, and trespassers of both sexes and all ages, are simply swarming over the railroads east of the Mississippi River, forming a very serious problem for both railroads and State Governments, according to reports which O. F. Lewis has received from most of the great roads of the East, and recently published in *Charities* and *The Commons*. Mr. Lewis finds from these reports that the railroad tramp and trespasser evil is on the increase, with roads and States through which they pass unable to check it, and one road, the New York Central, declares that half of the loss and damage claims currently paid by railroads may be ascribed to robberies committed by tramps and trespassers. Much of this increase in trampdom is ascribed to the effects of the panic and the hard times, which threw thousands of men out of employment.

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"Most of the railroads," says Mr. Lewis, in summing up the replies received to the questions he sent out, "report a very noticeable increase in vagrancy on their lines. The Central Vermont says 75 per cent, the Chicago & Eastern Illinois 50 per cent, the Great Northern 200 per cent. Great increases are reported by the Delaware, Lackawanna & Western, the New York Central, Pennsylvania, Philadelphia & Reading, and many others. The Northern Pacific reports more vagrants travelling than ever before.

"A decrease is reported on the Central of New Jersey, the Cumberland Valley, Chicago, Indiana & Southern, and on the Missouri Pacific. Emphasizing the increase on the Pennsylvania, President McCrea states that four times as many arrests were made for illegal train riding in June, 1908, as in June, 1907.

"Stealing foodstuffs, stealing rides, stealing handcars, threatening and injuring trainmen, placing obstructions on tracks, stoning freight crews, setting air brakes, and robbing ticket offices, are typical offences."

As bearing on the question of, literally, "Who pays the freight?" the following is from the New York Central's report:

"We are required by law to charge all of the costs arising out of the operation of the railroad to operating expenses, which constitute the loss of the services rendered. Among these expenses are loss and damage due to the effects of trespassing and the acts of trespassers. Inasmuch as the definition of a reasonable rate has been stated to include the cost of the service and a reasonable return upon the value of the property employed, it inevitably follows that our charge to the public includes these elements of cost. It may, therefore, be said that in the end the public pays, but we would prefer to eliminate this source of cost as far as practicable."

Many railroads ascribe the increased number of vagrants to "hard times," resulting in the reduction in the number of men employed throughout the country.

The report is frequent that more "honest out-of-works" are stealing rides and trespassing. President McCrea reports that "not many of the illegal train riders are vagrants, but men out of employment." The Southern Pacific reports that "the type of trespasser is as a whole better."

With striking frequency the railroads report the majority

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of illegal train riders to be young men and boys. The ages "18 to 25" are often mentioned. The Central Railroad of New Jersey says they can be considered as the coming generation of tramps.

Answering the question, "Do you believe in a State constabulary to coöperate with the railway police in prosecuting vagrants?" twenty-three railroads replied "yes," five replied "no," and sixteen either had not considered the matter thoroughly or made no reply. The State constabulary is favored mainly by trunk lines that are troubled by vagrants.

N. Y. *Times*, Feb. 14, 1909.

VIII

PUBLIC STORE NOTES

The last report of the Director of the Mint (as quoted in *Statistical Abstract of the United States*, 1908, p. 714) gives the stock of gold in the United States as nearly $1,600,000,000 and amount of silver as almost $700,000,000—in all, $2,300,000,000. Of course, all this coin will never be at the disposal of the State; some of it will remain as now in private hands. But all the coin now held by the Government as reserves to secure greenbacks issued will be gradually released by the substitution of store notes for greenbacks. This substitution cannot be honestly effected except in proportion to the amount of produce which goes into the public stores. There are at the present moment a little over $1,000,000,000 of greenbacks issued by the United States Government redeemable in coin. If in any given year the produce acquired by the state amounts to—say, $100,000,000, the state can withdraw greenbacks to the amount of $100,000,000 and substitute therefor public store notes for $100,000,000, and so on, until there have been substituted public store notes for all the greenbacks in circulation.

As regards the remaining $1,300,000,000, some of this, of course, will remain in private hands; and if it were the policy of the government to increase its supply of gold for the purchase of foreign goods, it could levy taxes paid by those engaged in private industry in gold instead of in produce. If, on the other hand, the private banking system operated satisfactorily, the state could leave the whole of $1,300,000,000 in the hands

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of private bankers and through its ownership of mines, would still have the whole gold and silver production in the United States for the purchase of foreign goods.

As the amount of gold and silver produced in the United States amounted in 1907 to over $90,000,000 of gold and over $37,000,000 of silver, it will be seen that the state would have at its disposal some $127,000,000 in gold and silver which it could use in the purchase of foreign goods against which it could issue public store notes. In other words, gold and silver will be confined to the amount used in the competitive system and that required for the settlement of foreign exchanges.

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